



IMAGINE THE FUTURE.

The University of Tsukuba

Fiscal Year 2014 Financial Management Report

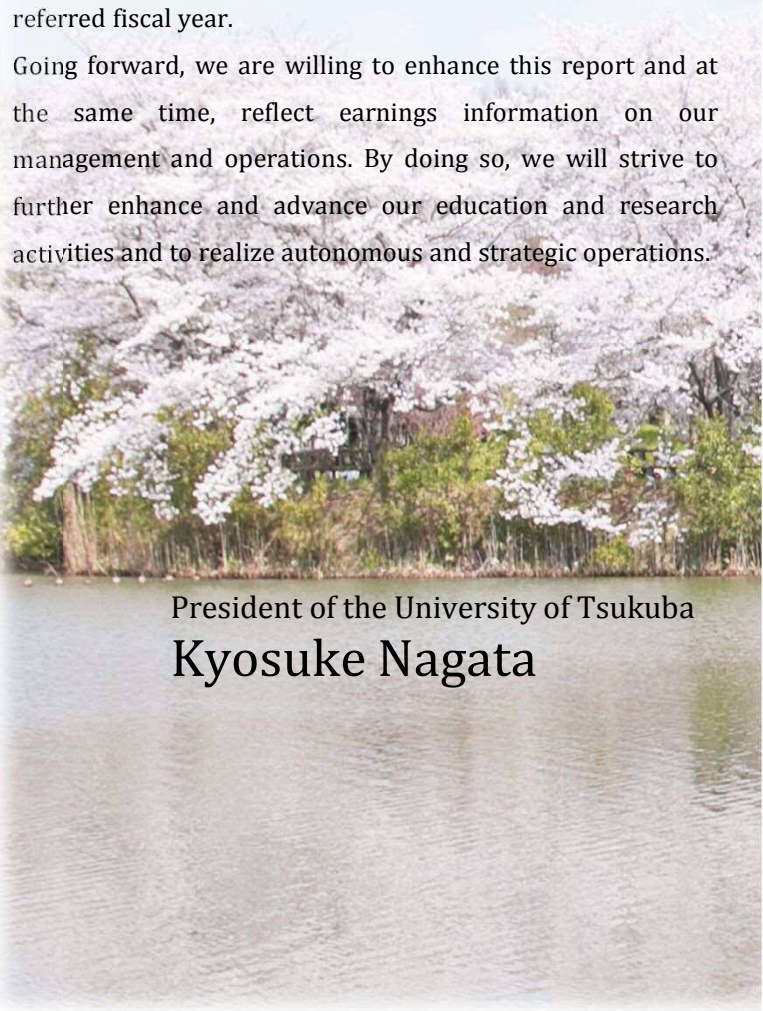


Message from the President

The University of Tsukuba makes greater efforts to search for truth, to create wisdom which generates innovation and to develop global human resources which lead it. It is a major responsibility of our university, as a national university corporation, to provide highly transparent earnings information to everyone who supports operations of our university, both within and outside our institution, so that the situation with our operations is well understood.

Therefore, we have been preparing financial reports in order to provide easy to understand explanations and to foster greater understanding of our earnings information. This financial report basically consists of introduction of outline of the referred fiscal year, reports to every supporter of the University of Tsukuba (explanation to our stake holders), analyses and comments of our financial statements. It analyzes year-to-year comparison regarding our education, research, medical service and social activities, as well as expenses and other details of constituent items of the referred fiscal year.

Going forward, we are willing to enhance this report and at the same time, reflect earnings information on our management and operations. By doing so, we will strive to further enhance and advance our education and research activities and to realize autonomous and strategic operations.



President of the University of Tsukuba
Kyosuke Nagata

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【Points to note of reading this report】

The figures less than the unit are rounded off in each table.
Therefore, the total may not match the sum.

【Detailed information pertaining to Earnings】

Please refer to the Financial Statements for details of Earnings in fiscal year 2014.

You can download this report.

http://www.tsukuba.ac.jp/public/misc/info_zaimu26.html



Major Events (Topics)

■ University of Tsukuba Selected as a "Super Global University"



University of Tsukuba applied for the "Top Global University" Project sponsored by the Ministry of Education, Culture, Sports, Science and Technology (MEXT), submitting its project "Creating a TRANSBORDER UNIVERSITY for a BRIGHTER FUTURE". The project had been selected as type A. We will be able to share campuses with our partner institutions, and allow one another to utilize respective research and educational resources without any national or institutional barriers by constructing Campus-in-Campus system.

This system will provide our students and faculty members for high-quality educational programs and develop international human resources. The Top Global University Project Kick-off Symposium was held on February 14 and 15, 2015.

■ Mr. Yuya Takenouchi wins the 62nd All Japan Kendo Championship



Mr. Yuya Takenouchi of the University of Tsukuba won the 62nd All Japan Kendo Championship on November 3, 2014.

Twenty-one-year-old Takenouchi who is a third year student of the School of Health and Physical Education became the champion as a student for the first time in 43 years. In addition, he broke the record of the youngest winner of the tournament!

■ President Kyosuke Nagata Accompanies Prime Minister Shinzo Abe to Brazil



On August 1 and 2, President Kyosuke Nagata accompanied Prime Minister Shinzo Abe on his trip to Brazil as representatives of the educational and academic community in Japan. On August 2 the Japan-Brazil Business Forum was held. At this forum, the internationalization efforts of the University of Tsukuba and its active commitment to collaborative research and student exchange with Brazil were introduced related with the human resource development through the "Science without Borders" project, the promotion of collaborative research with Brazil. The University of Tsukuba delegates used this opportunity to further expand and enhance educational and academic cooperation between the University of Tsukuba and Brazil, as well as with other Latin-American countries.

(From the left: President Nagata, Prime Minister Abe, Vice President Benton)

■ Our basketball team wins the tournament at the 66th Japan intercollegiate basketball championship



Photo Taken by O.TAKEDA

From November 24 to 30, 2014, the 66th Japan intercollegiate basketball championship was held at the National Stadium in Yoyogi. The basketball team from the University of Tsukuba won the tournament for the first time. (Including Tokyo University of education era, it was second time in 61 years)

At the final, Tsukuba won the Tokai University team which was winner of 2 consecutive championships at 67-57.

■ Toride Clinical Education and Training Station opens



July 16, the University of Tsukuba Hospital established the Toride Clinical Education and Training Station inside the Toride-kitasouma Medical Association Hospital at Toride Ryugasaki area which is the southernmost in Ibaraki.

The station was established based on the agreement on an Endowed Course “Primary Care and Medical Education at Southern Ibaraki” with the medical association for the first time in Japan had been concluded on February 2014.

By this situation, the Toride-kitasouma Medical Association Hospital is positioned as the education base hospital, we enhance medical services and create an environment for the in-area completion medical care which supports patients across the whole region.

■ Prof.Sankai selected as a Program Manager of IMPACT



Prof.Yoshiyuki Sankai(Faculty of Engineering, Information and Systems / the director of Center for Cybernics Research) was selected as a Project Manager of the “Impulsing PARadigm Change through disruptive Technologies(IMPACT)” which was publicly offered by Cabinet office, Government of Japan.

Prof.Sankai suggested the “Innovative Cybernic System for a ZERO Intensive Nursing-care Society” as a theme “Provide the world’s most comfortable living environment in a society with a declining birthrate and aging population (Realize healthy and comfortable lives for everybody)” determined by CSTI(Council for Science, Technology and Innovation).

■ Innovation Medical Research Institute Established in Kasuga Area



The Innovation Medical Research Institute was established as part of a project titled “Global Science and Innovation Development Project Utilizing Community Resources through Industry-University Collaboration” sponsored by the Ministry of Education, Culture, Sports, Science and Technology (MEXT). The institute was jointly proposed by the University of Tsukuba and Keio University.

The objective of the institute is to conduct innovative research and development making use of community resources and to create a new industry and new jobs. Gathering people from industry, university, and government under one roof, the institute aims to develop long-lasting innovation in an interdisciplinary environment.

■ Three Partner Universities Launch Joint-use Tsukuba Office



Three University of Tsukuba partner universities—the National Taiwan University (NTU), the University of California, Irvine (UCI), and the University of São Paulo (USP)—held an opening ceremony for their Tsukuba Office at the University of Tsukuba on September 28, 2014.

Establishment of the new office should also enable the University of Tsukuba to implement “Campus-in-Campus”, the main concept of the proposal for the “Top Global University Project”.

Financial Highlights for Fiscal Year 2014

Summary of B/S

Details are reported on page 21

| (In millions of yen) | | | |
|---|----------------|----------------|-----------------|
| item | FY2013 | FY2014 | Change |
| Assets | 404,149 | 401,905 | ▲ 2,244 |
| Land | 248,553 | 248,513 | ▲ 40 1) |
| Buildings | 93,750 | 98,241 | 4,492 |
| Tools, Furniture and Fixtures | 19,838 | 17,465 | ▲ 2,373 |
| Vessels | 226 | 196 | ▲ 30 |
| Construction in Progress | 4,833 | 756 | ▲ 4,077 |
| Investment in Securities | 3,202 | 2,601 | ▲ 601 |
| Cash and Deposits | 8,948 | 14,702 | 5,753 |
| Accounts Receivable | 6,000 | 6,595 | 595 |
| Marketable Securities | 6,700 | 600 | ▲ 6,100 |
| Liabilities | 114,844 | 103,295 | ▲ 11,549 |
| Per Contra Liabilities for Property Acquisition | 32,104 | 28,628 | ▲ 3,476 |
| Borrowings | 27,667 | 23,254 | ▲ 4,413 |
| Management Expenses Grants Liabilities | 2,420 | 822 | ▲ 1,598 |
| Donation Liabilities | 4,046 | 4,133 | 87 |
| PFI Liabilities | 28,602 | 26,763 | ▲ 1,839 |
| Accounts Payable | 11,489 | 12,446 | 957 |
| Net Assets | 289,306 | 298,610 | 9,304 |
| Government Investment | 232,416 | 232,358 | ▲ 58 |
| Capital Surplus | 53,749 | 63,355 | 9,605 |
| Reserve Funds Carried Forward from Previous Mid-Term Plan Period | 3,391 | 2,019 | ▲ 1,372 |
| Appropriated Surplus | 123 | 0 | ▲ 123 |
| Unappropriated Retained Surplus (or Undisposed Loss) at the end of the term | ▲ 1,368 | ▲ 117 | 1,252 |

* Only main items are mentioned.

* The numbers by the table correspond to "Points of Earnings in fiscal year 2014" below.

Summary of P/L

Details are reported on page 23

| (In millions of yen) | | | |
|---|----------------|---------------|--------------|
| item | FY2013 | FY2014 | Change |
| Ordinary expenses | 89,708 | 94,611 | 4,903 |
| Education Expenses | 7,220 | 6,828 | ▲ 392 |
| Research Expenses | 8,936 | 8,620 | ▲ 316 |
| Medical Service Expenses | 18,755 | 19,238 | 483 |
| education and research support expenses | 2,523 | 2,419 | ▲ 104 |
| Sponsored Research Expenses | 3,787 | 4,618 | 832 |
| Sponsored Operations Expenses | 816 | 1,880 | 1,064 |
| Personnel Expenses | 43,857 | 47,373 | 3,516 2) |
| General Administrative Expenses | 2,636 | 2,657 | 21 |
| Ordinary Income | 88,276 | 94,377 | 6,102 |
| Management Expenses Grants Income | 35,683 | 37,744 | 2,061 |
| Student Fee Income | 9,255 | 9,231 | ▲ 24 |
| University Hospital Income | 26,185 | 28,103 | 1,919 |
| Sponsored Research Income | 4,288 | 5,150 | 863 |
| Sponsored Operations Income | 846 | 1,969 | 1,123 |
| Subsidy Income | 3,726 | 2,893 | ▲ 833 |
| Donation Income | 1,828 | 1,954 | 126 |
| Ordinary Profit (Loss) | ▲ 1,432 | ▲ 233 | 1,199 |
| Extraordinary Loss | 279 | 54 | ▲ 226 3) |
| Extraordinary Profit | 137 | 49 | ▲ 87 |
| Reduction of Reserve Funds Carried Forward from Previous Mid-Term Plan Period | 44 | 4 | ▲ 41 |
| Reduction of Appropriated Surplus | 162 | 117 | ▲ 45 |
| Gross Profit (Loss) | ▲ 1,368 | ▲ 117 | 1,252 |

○ Points of Earnings in fiscal year 2014

1) The capital reduction due to sale of Ishiuchi Training Center vacant lot

Land decreased by 40 million yen and Capital (Government Investment) decreased by 58 million yen due to sale of Ishiuchi Training Center vacant lot (63,569m²).

2) Regarding personnel expenses

Personnel expenses increased 3,516 million yen compared to fiscal year 2013 due to the termination of salary cut for full-time teachers and full-time staff according to the Special Provisions Act (up 2,229 million yen), the change in the pay scale based on NPA recommendation (up 440 million yen), and the increase of retirement allowance accompanied with the number of retired teacher increase.

3) Record of Casualty Loss according to the Great East Japan Earthquake Disaster

17 million yen as Casualty Loss was recorded for expenses for the Tandem accelerator in the Research Facility Center for Science and Technology. All reconstruction activities associated with the Great East Japan Earthquake were completed by delivery of the Tandem accelerator.

Earnings of National University Corporations

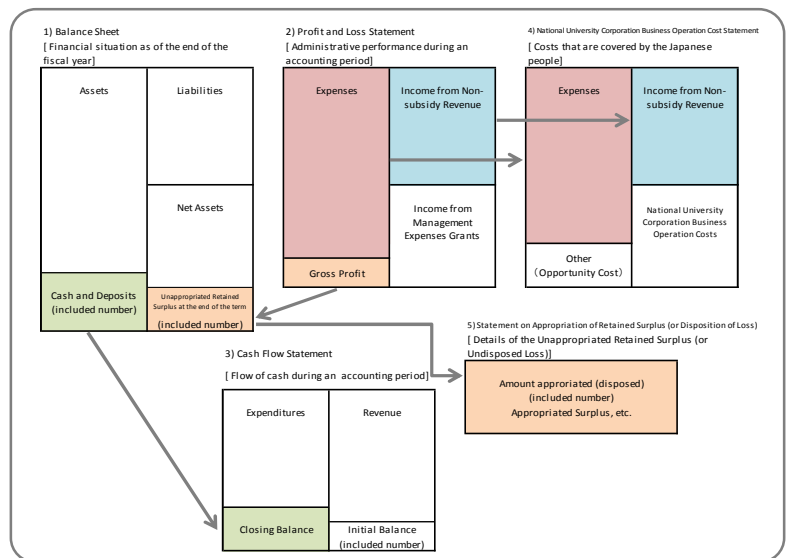
Statements Pertaining to Earnings

National university corporations prepare Financial statements following the Accounting Standards for National University Corporations based on business accounting.

Furthermore, universities also prepare statements not required in business accounting such as National University Corporation Business Operation Cost Statement, which shows the burden share of the Japanese people for university corporation's operations, and Earnings Statement based on governmental accounting.

The principal operations of education and research are not for-profit, unlike corporations, therefore unique accounting treatment is applied for the expenses emerged for those.

Scheme of Financial Statements



Outline of Fiscal Year 2014

1) Balance Sheet (B/S)

Statement that discloses the financial situation by describing all Assets, Liabilities, Net Assets (Capital) of the university as of the settlement date (the end of the fiscal year).

2) Profit and Loss Statement (P/L)

Statement that shows situation with operations of the university by matching income and expenses required from the respective goals in education, research and etc. and discloses the profit gained.

3) Cash Flow Statement (C/F)

A financial statement reported in the three segments of operating activities, investing activities and financing activities, to disclose the cash flow situation during an accounting period.

4) National University Corporation Business Operation Cost Statement (O/C)

A financial statement showing the amount burdened by the Japanese people for operating a national university corporation.

5) Statement on Appropriation of Retained Surplus or Disposition of Loss (draft)

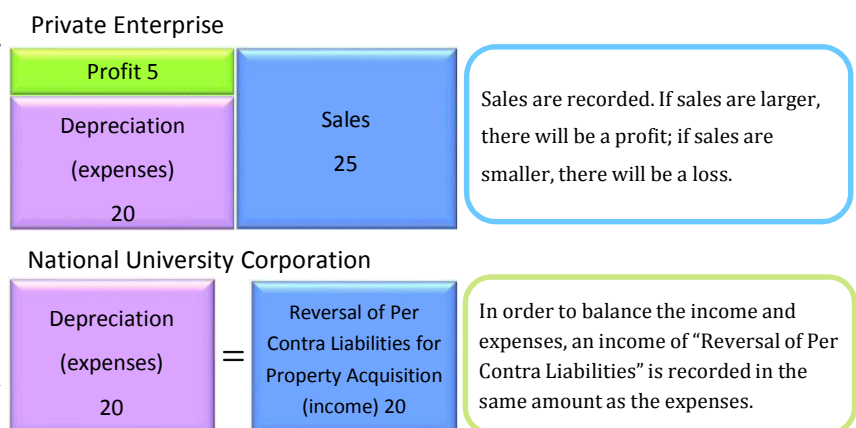
Calculated by subtracting Deficit Brought Over from Gross Profit (or Gross Loss) calculated in Profit and Loss Statement. Prepared to show details of the appropriation (or disposition) of Unappropriated Retained Surplus (or Undisposed Loss).

○ Earnings Statement

Statement that reports situation with operations, following the governmental accounting standards, with cash basis as the base but partially adopting accrual basis taking the idea of transfer consolidation periods into consideration, and by making a comparison with the annual budget.

Unique Accounting Treatment (an Example)

National university corporations are not for-profit, therefore Management Expenses Grants from the national government and Tuition Fees from the students are received as liabilities, and the obligations to operate education and research are generated. If facilities are acquired using Management Expenses Grants and tuition fees, there is no matching income for Depreciation Expenses for facilities. Therefore, matching income is recorded as "Reversal of Per Contra Liabilities for Property Acquisition" to balance the income and expenses.



For Domestic People

■ Management Expenses Grants

Management Expenses Grants are provided by the national government for expenses related to the operation of national university corporations. In fiscal year 2014, we received approximately 41.2 billion yen in Management Expenses Grants. This accounted for about 40% of the entire revenue.

■ Facility Expenses

Facilities Maintenance Grants from the national government and Grants for Facility from the Center for National University Finance and Management are provided for expenses related to maintenance of facilities in national universities. These funds are provided with restrictions on its use such as for construction of facilities. In fiscal year 2014, we received approximately 8.5 billion yen in these Grants. This accounted for about 8% of the entire revenue.

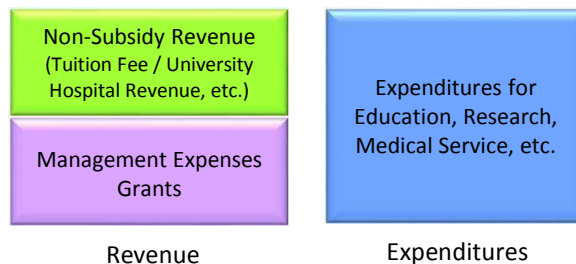
■ Disaster Restoration Expenses from the Great East Japan Earthquake Disaster

As a part of the Management Expenses and Facility Expenses mentioned above, a supplementary budget was arranged for us as a sufferer of damages from the Great East Japan Earthquake disaster. With these financial supports, the Tandem accelerator in the Research Facility Center for Science and Technology were restored in fiscal year 2014. As a result, the project of Disaster Restoration from the Great East Japan Earthquake Disaster was finished.

■ Costs borne by the Japanese people

“National University Corporations Business Operation Cost Statement” is prepared under the Accounting Standards for National University Corporations in order to disclose how much the Japanese people bear for activities of universities. This statement is based on the costs in Profit and Loss Statement, adding costs which are not recorded in Profit and Loss Statement but are ultimately borne by the Japanese people in the broad sense and excluding Non-Subsidy Revenue such as tuition which is not directly borne by the Japanese people.

For the breakdown of Business Operation Costs, please refer to the National University Corporations Business Operation Cost Statement on page 26.



International Institute for Integrative Sleep Medicine Building



Tandem accelerator

Per Capita Cost
approx. 395 yen

= Business Operation Costs / Population

Costs : approx. 50.2 billion yen

Population : approx. 127.083 million

* Population is estimated population as of October 1st, 2014, Bureau of Statistics, Ministry of Internal Affairs and Communications

[cf.] Figure reported in fiscal year 2013: approx. 406 yen

For Our Students and Prospective Students

Education Related Expenses

Total expenses related to education (Education Related Expenses) are approximately 23.7 billion yen.

[Education Expenses]

Expenses required for education for students such as classes and extracurricular activities

[Education and Research Support Expenses]

Expenses related to supporting organizations such as the university libraries and the Academic Computing & Communications Center

[Amount Equivalent to Depreciation not recorded in P/L]

Expenses not recorded in P/L applied for depreciation of educational assets which were acquired using assets invested from the national government, Facility Expenses or Appropriated Surplus

[Personnel Expenses]

A half of which is calculated as expenses required for education

In addition, other expenses such as Research Related Expenses and expenses for maintenance of our campus for enhancement of educational environment are also closely related to providing Education.

Breakdown of Education Related Expenses (In thousands of yen)

| Expenses Classification | FY 2014 |
|---|-------------------|
| Education expenses | 5,551,404 |
| Education and research support expenses | 2,242,584 |
| Amount equivalent to depreciation not recorded in P/L | 1,527,827 |
| Personnel expenses | 14,355,926 |
| Total | 23,677,742 |

Education Related Expenses
approx. 1.44 million yen per student

= Education Related Expenses / The number of students

Actual number of students in FY 2014 : 16,454
 [cf.] Figure reported in FY 2013 : approx. 1.40 million yen

Admission Fees / Tuition Exemption

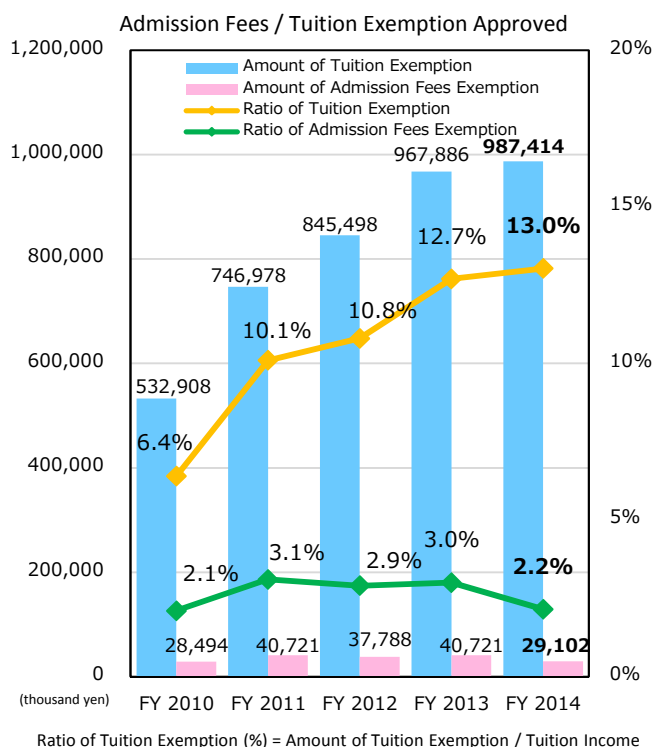
We offer programs to waive all or a part of admission fees or tuition to students who have difficulty paying due to financial problems or other inevitable reasons and who excel at studies.

In fiscal year 2014, we provided a total of 29,102 thousand yen of admission fees exemption for 186 students and 987,414 thousand yen of tuition exemption for 2,899 students including students who suffered from the Great East Japan Earthquake disaster (34,853 thousand yen for 83 students).

Unit Price of Payment by Students in Fiscal Year 2014 (In yen)

| Classification | Tuition | Admission Fee | Examination Fee |
|--|---------|---------------|-----------------|
| Faculty (Excludes School of Medicine and Medical Sciences) | 535,800 | 282,000 | 17,000 |
| Graduate School / School of Medicine and Medical Sciences | 535,800 | 282,000 | 30,000 |
| Law School | 804,000 | 282,000 | 30,000 |

* Examination Fee of transfer admission is 30,000 yen



Ratio of Tuition Exemption (%) = Amount of Tuition Exemption / Tuition Income

The University Library

Our university libraries consist of the Central Library and four specialized libraries (Art and Physical Education Library, Medical Library, Library on Library and Information Science and Otsuka Library). They are managed under a unified administrative system. The library website provides electronic journals and database, as well as it offers services such as updates of borrowing periods, books reservations and requests for copies of literatures in other universities. At the end of fiscal year 2014, our university libraries owned approximately 2.67 million books, which were worth approximately 10 billion yen.

* The number and the amount of books include audio visual materials (such as CDs).

The Number of Books
approx. 162 books per student

= The number of books / The number of students

Actual number of students in FY 2014 : 16,454
 [cf.] Figure reported in FY 2013 : approx. 161 books

For Our Students and Prospective Students

Promotion of Educational Innovation

Our University promotes University reforms and internationalization in order to raise the level of research and educational activities to which is equal to the world.

From fiscal year 2014, in order to secure the international compatibility of academic degrees, we aim to transfer to world standard degree programs by setting the course numbering system and “tuning” which means ensure the quality.

We are planning to construct Campus-in-Campus system at which you can share campuses with our partner institutions and allow one another to utilize respective research and educational resources without any national or institutional barriers, utilize Course Juke Box System, and set up joint degree programs.

We will increase the number of partner universities at foreign countries and enhance relationships with research institutes at Tsukuba Science City.



Life Science Innovation Kick-Off Symposium



Panel Discussion at Symposium

Promotion of International Exchange

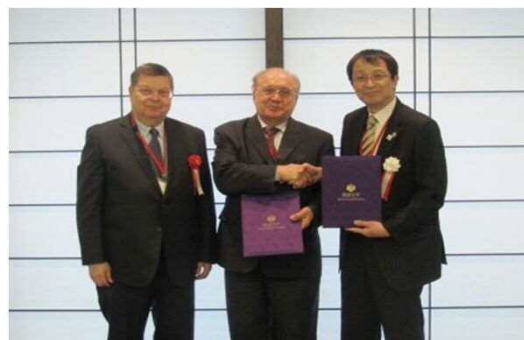
We aim to improve the level of academic research and to bring up human resources with an international outlook by international academic exchanges. As of March 31st, 2015, we had a total of 296 agreements, consisting of 116 university exchange agreements and 180 department exchange agreements, in 60 countries (areas). We conduct active international exchanges, for example, receiving foreign students, sending students and faculty members to abroad, inviting foreign researchers, and holding international conventions.

Fiscal year 2014 University of Tsukuba was selected as “Top Global University” Project sponsored by the Ministry of Education, Culture, Sports, Science and Technology (MEXT). We are promoting internationalization by the coordination between “Top Global University” Project and “Project for Promotion of Global Human Resources Development” which is continuing from fiscal year 2012.

In addition, 3 projects were selected as a “Re-Inviting Japan Project” sponsored by MEXT, and we provide student exchanges programs which is intended for Asia, Europe, ASEAN, and Russian-speaking countries.

We are making efforts to enhance the supporting system on a scale of whole our university in order to promote these projects for internationalization with a central focus on Global Commons.

Setting up the “Student Commons” which functions as a common learning space for Japanese and international students who are from various countries and have different fields, we provide an environment where “internationalization is part of everyday life”.



Conclusion of the exchange agreement with Lomonosov Moscow State University



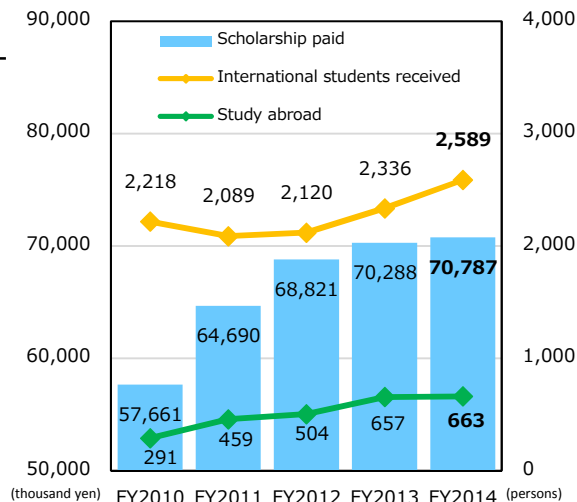
Pilot Program (TAG/AIMS Student Forum 2015.3 Tsukuba)

The University of Tsukuba Student Scholarship “The Tsukuba Scholarship”

The Tsukuba Scholarship is a program to provide financial support for students from abroad, support for students going study abroad, and emergency student loans by efforts toward internationalization. Aiming to secure an environment which enables students to concentrate on their studies, we support them with this our own scholarship program funded by our Non-Subsidy Revenue.

In fiscal year 2014, we provided 70,787 thousand yen for 220 students by expanding quotas for the support for international students in Undergraduate English Course Programs and the support for Short-term Overseas Programs for Japanese students.

Scholarship Paid and International Students, etc.



For Our Laboratory School Students and Prospective Students

Laboratory Schools

We have 11 laboratory schools in the Tokyo metropolitan area.

In elementary, junior high and senior high school, a total of 6 schools in Tokyo and Saitama prefecture, we provide education attaching importance to not only scholastic ability but also general ability including competence to solve problems and competence in communication which are required in the real world in the school tradition of liberty and autonomy.

In special needs education schools, a total of 5 schools in Tokyo, Kanagawa and Chiba prefecture, we accept children and students with different disabilities. We aim to bring up independent people who can actively join the social community by providing education that suits each one's state and growth stage.

Total expenses related to education (Education Related Expenses) in 11 laboratory schools are approximately 6.9 billion yen.

Breakdown of Education Related Expenses (in laboratory schools)

| Expenses Classification | (In thousands of yen) FY 2014 |
|---|----------------------------------|
| Education expenses | 825,873 |
| Amount equivalent to depreciation not recorded in P/L | 216,455 |
| Personnel expenses | 5,837,399 |
| Total | 6,879,727 |

Education Related Expenses
approx. 1.60 million yen per student

= Education Related Expenses / The number of students

Actual number of students in FY 2014: 4,307
[cf.] Figure reported in FY2013: approx. 1.61 million yen

Super Global High School(SGH) Program

On March 2014, Senior High School at Otsuka and Senior High School at Sakado were selected for the "Super Global High School (SGH) Program" by the Ministry of Education, Culture, Sports, Science and Technology. Senior high school at Otsuka aims for the goal, "Global Human Resources Development by Problem Solving Based on Primary, Middle, High Schools and University Collaboration". Our school holds "Exchange of Japanese and Chinese high school students" as the sponsor. Our students did presentation and discussion in English with high school students in Beijing city. Then they did the active efforts to find solution of problems and research/ study and discuss by group and present and suggest the solutions. Our school is designated at the host school of this project and plays a promoting role as the central core of 56 SGH certified schools and 54 associated schools all over Japan. Senior high school at Sakado, aims for the goal, "The Global Human Resource Development for Building Sustainable ASEAN Society through the Advanced Educational Activities at the Integrated Science High School" and held High school international ESD Symposium 2014. Our school globally promoted research of problems as the SGH certified school, working with associated schools in all countries of the world as the host school.



スーパーグローバルハイスクール



Presentation of students (in Senior High School at Otsuka)



Students at 7 schools from 4 countries
(in Senior High School at Sakado)

Super Science High Schools (SSH) Program

Since fiscal year 2002, being selected as a "Super Science High School" by the Ministry of Education, Culture, Sports, Science and Technology, Junior and Senior High School at Komaba have been working on enhancement of education especially in science and mathematics.

In the third period, which started in fiscal year 2012, we set a theme of research and development as "Research and Development of junior high, senior high, undergraduate and graduate collaborative programs which bring up global scientists rich in culture and inquiry mind." We are working on bringing up students' abilities of science communication by continuously running "instructing and learning each other" activities such as from senior high school students to junior high school students and from undergraduate/graduate students to senior high school students, development of competence in presentation in English which can be understood at international exchanges and academic conferences, research exchanges with National Taichung First Senior High School in Taiwan, and etc.



Research exchanges with National Taichung First Senior High School (in Junior and Senior High School at Komaba)

For Our Clients at the University Hospital



(the upper: outward view of Keyaki building)
(the lower: heliport)

Principle of the University of Tsukuba Hospital

We are committed to providing high-quality medical care and cultivating medical professionals who can contribute to developing the medical field.

Policy of the University of Tsukuba Hospital

- We are committed to providing the safest and highest quality medical care to patients.
- Fully mindful of our mission and responsibility, we cultivate medical professionals who are rich in humanity.
- We promote a team approach to medical care services and thereby build links with the local community.
- We work to spread knowledge about health and medicine.
- We contribute to international society through our medical research and promotion of advanced medical technology.

The University of Tsukuba Hospital on WEB

<http://www.s.hosp.tsukuba.ac.jp/>



About The University Hospital

Ever since opening in 1976, the University of Tsukuba Hospital has striven to become a hospital that provides "real team medicine," and our initiatives to provide lifelong education to doctors, nurses and medical administrators have produced many medical professionals working both inside and outside of Ibaraki Prefecture. In terms of overseas developments, we launched the Office for the Promotion of International Medical Affairs in fiscal year 2012 and adopted in the project of Ministry of Economy, Trade and Industry in fiscal year 2014 for preparing to accept and dispatch personnel with a global perspective, and cater for patients from overseas.

We are the only university hospital in Japan that operates a proton beam treatment facility and do the treatment of more than 4000 patients more than 30 years, produced the tide of the current domestic and foreign particle beam treatment as a pioneer in proton treatment.

We are aiming to insurance listing and adaptation expansion of proton treatment and promote the development accelerator for clinical research of the next-generation particle beam treatment "Boron Neutron Capture Therapy (BNCT)". Basic of medical care in the University Hospital is to provide advanced medical care to the patients. We have to continue to study day and night to provide advanced medical care particular to the University Hospital. On the other hand it is required to develop a seamless medical care environment in cooperation with the region medical institutions and practitioner. Our strong desire is to continue to be thoughtful and to work as one team as we provide our patients with the very best medical treatment.



The Intraoperative MRI

This is the first system in Japan that moves MRI apparatus to take a tomogram without moving a patient.



The proton beam medical device

This is the advanced medical device to lighten the strain and side effects of patients.

Development and Implementation of Boron Neutron Capture Therapy (BNCT)

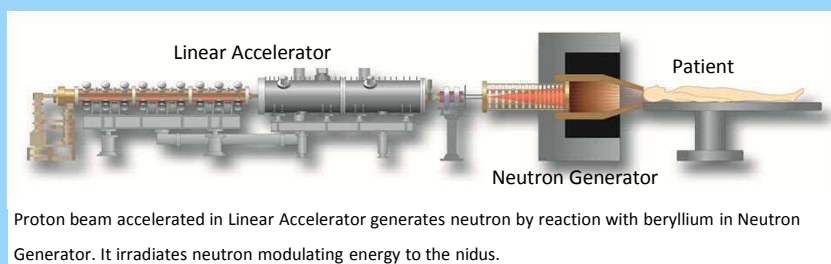
The Boron Neutron Capture Therapy is a next generation radiation therapy that selectively destroys only cancer cells and scarcely harms normal cells. It is expected as a next generation therapy for intractable cancers for which we have not found effective therapies until today.

[Characteristics of BNCT]

- New way of therapy for refractory cancers
- Reduced physical strain on patients and high quality of life (QOL)
- Pinpoint targeting at individual cells

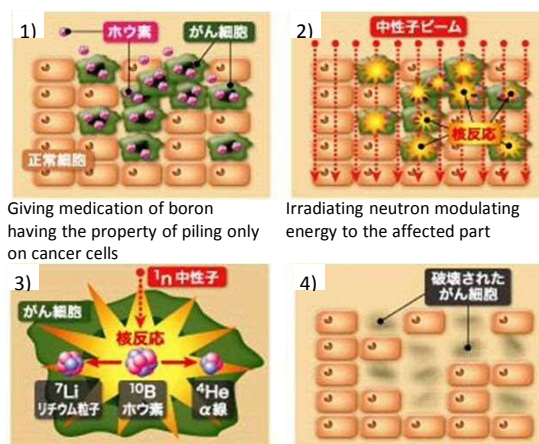
We are developing a medical device which does not have a nuclear reactor but has an accelerator instead of the former device with a nuclear reactor and succeeded in accelerating protons of the neutron beam used to treat to 8MeV for the purpose of energy in the therapy device demonstration unit adjustment operation. After generating a neutron beam necessary for the treatment, we are working the commercialization and clinical research while confirming the efficacy and safety of treatment.

[Therapy Device Using Linear Accelerator]



The appearance of Linear Accelerator

[Mechanism of Therapy]



Generated alpha rays and Lithium particles destroy the cancer cells. It is possible to treat by unit of a cell because the range of irradiation is the length of one cell (10 micron).

Efforts toward Revival of Community Medicine

Ibaraki is the second worst prefecture in Japan in terms of the number of doctors per population of 100,000 by prefecture. The shortage of doctors in Ibaraki Prefecture is a serious problem. In order to cope with the urgent problem of the collapse of community medicine caused by the shortage of doctors, we are working on a community medicine revival plan with the aim of contributing to enhancement and qualitative improvement of the community medicine system in areas where there are not enough doctors by using various methods in cooperation with the government, medical association, JA and private enterprises.

[Major Efforts toward Revival of Community Medicine]

- 1) Development and management of new programs for bringing up human resources leading community medicine
- 2) Development of environment for pre-/post-graduation and lifelong education and training in areas where there are not enough doctors and bringing up doctors rooted in the regional community
- 3) Contribution to community medicine by constructing an educational and instructional system and supporting medical care at central hospitals in areas where there are not enough doctors
- 4) Promotion of joint research and development and clinical trials for pharmaceuticals and hospital equipment which are produced in the regional community by utilizing clinical data and teachers' abilities of research in our university hospital

Concrete Approach

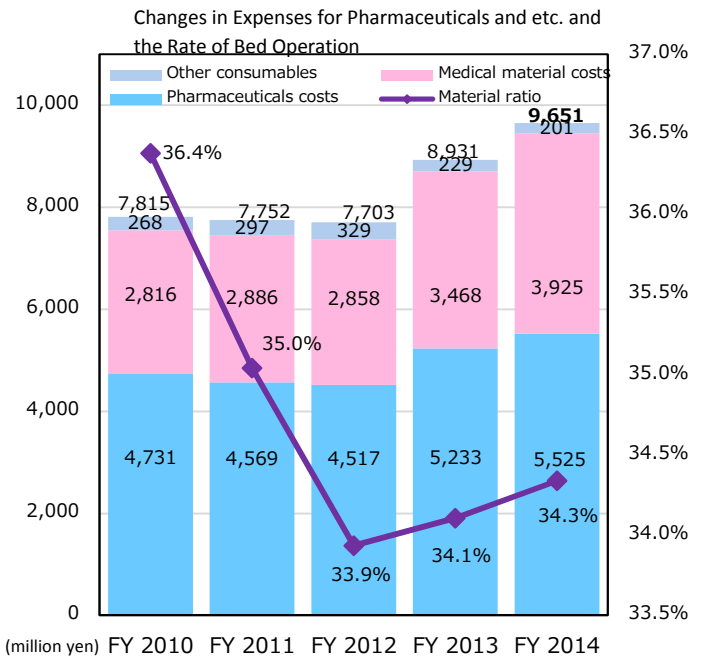
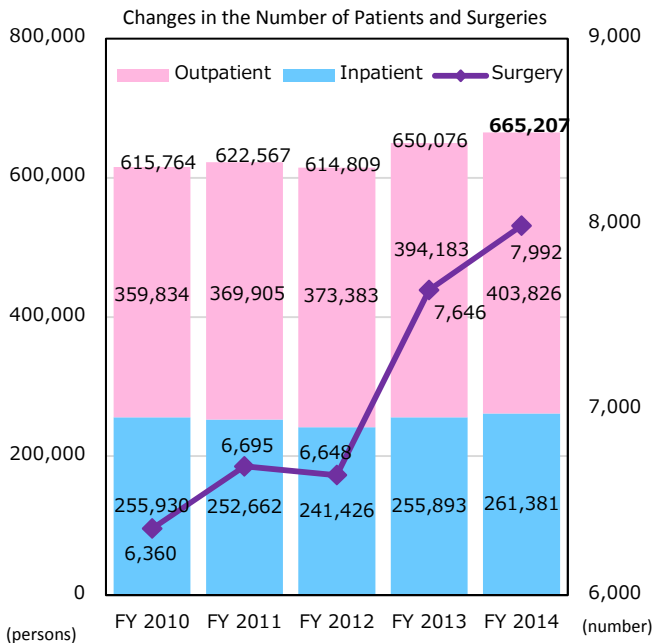
| Cooperation Destination | Development Hospital | Number of Teachers / Doctors | Facilities Established by Our University Hospital |
|--|--|------------------------------|---|
| Ibaraki Prefecture | Ibaraki Prefectural Central Hospital | 13 | Ibaraki Clinical Education and Training Center |
| Ibaraki Prefecture | Ibaraki Children's Hospital | 2 | Ibaraki Pediatric Education and Research Station |
| Social Welfare Organization Saiseikai Imperial Gift Foundation Kurusu Saiseikai Hospital | Kamisu Saiseikai Hospital | 3 | Kamisu Medical Education Station |
| Public Interest Corporation Toride Medical Association | Toride Kitasoma Health Medical Center Medical Association Hospital | 2 | Toride Clinical Education Station |
| Kasama City | Mito Kyodo General Hospital | 2 | Kasama Medical Education Station |
| JA (Ibaraki Prefecture Welfare Federation of Agricultural Cooperative) | Mito Kyodo General Hospital | 25 | Mito Clinical Education and Training Center |
| Hitachi, Ltd. | Hitachinaka General Hospital | 5 | Hitachinaka Medical Education and Research Center |
| Hitachi, Ltd. | Hitachi General Hospital, Taga General Hospital | 4 | Hitachi Medical Education and Research Center |
| Tsuchiura City | National Hospital Organization Kasumigaura Medical Center | 5 | Tsuchiura Clinical Education and Training Station |
| Kitaibaraki City | Kitaibaraki City Hospital | 1 | Kitaibaraki Medical Education Center |
| Tsukuba City | University of Tsukuba Hospital | 3 | Tsukuba-city Birth Center |
| | Omori Hospital, and 2 others | 3 | Satomi Medical Education Station, and 2 others |
| Total | | 68 | |

For Our Clients at the University Hospital

Medical Care at the University Hospital

The university hospital has been the acceptance of high-quality medical care and many patients to increase the doctors and nurses and work activity to improve services for improvement of bed occupancy rate by the efficient operation beds, shortening of the average length of stay and increase in the number of surgical operations and foreign patients.

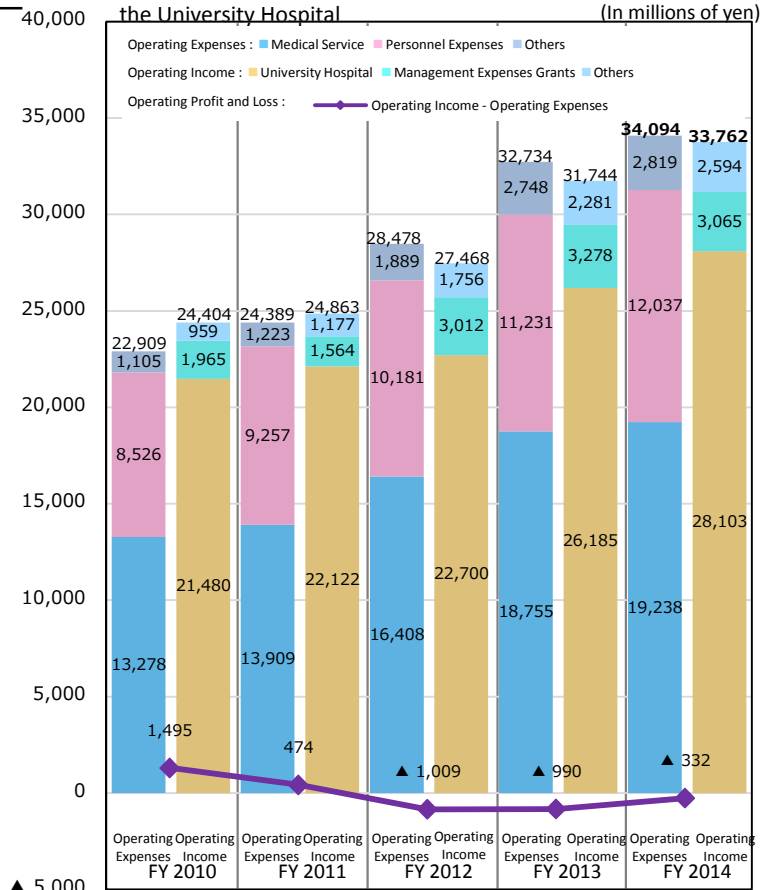
We reduced costs for consumables such as expansion of the switching of generic drugs, however, pharmaceuticals costs and medical material costs increased and material ratio [pharmaceuticals/hospital revenue] increased tendency with the start of service of new building and increase the number of patients stated previously from the provision of advanced medical care.



Financial Situation of the University Hospital

In fiscal year 2014, with the aim of decrease of the precious year amount of loss, Operating Income was 33,762 million yen with increase by 2,018 million yen compared to fiscal year 2013 as a result of rise in the occupancy rate by the sickbed of efficient operation, shortening of the average length of stay (621 million yen), increase of the number of surgical operations by increasing doctors and nurses (327 million yen), and increase outpatients (302 million yen). On the other hand, Operating Expenses were 34,094 million yen with increase by 1,360 million yen compared to fiscal year 2013 due to increase in material costs (929 million yen) with increase in revenue, personnel expenses (806 million yen) with increase in medical staff such as doctors and nurses to strengthen hospital function and effects with the consumption tax (172 million yen) hike and reduced costs by 696 million yen as a result of switching to generic drugs and contracting review. From the above, University hospital of business profit and loss (Operating Income - Operating Expenses) in fiscal year 2014, was ▲332 million yen with increase by 658 million yen compared to fiscal year 2013.

Changes in Annual Financial Situation of the University Hospital (In millions of yen)



Main causes of Gross Loss are reported on page 30

For the Supporters of the University of Tsukuba

For Corporations

■ Promotion of Industry-Academia Collaboration at the University of Tsukuba

We established the "Industry Innovation Interface Organization" on April 1 and set up "Special Joint Research Business System" on December 1 for industry creation of a new era and strengthening industry cooperation for the university to contribute to the world of problem solving. This system promotes joint research by hiring corporate researchers as the professor or the associate professor by companies and universities to operate in consultation, and aims to do more activities to promote industry-academia collaboration internationally and promote social contribution of corporations.

○ Foundation of Development Research Center

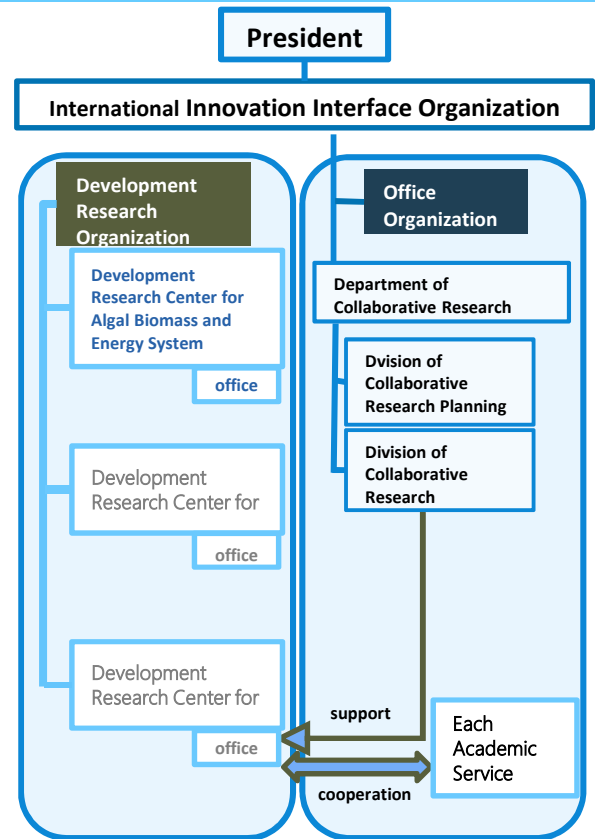
We set up "Develop Research Center" system to promote study returning the profit to society and innovation. This system builds the industry-academia-government joint research system with high academic disciplines of social demands by only external funds. This center is composed of faculty, researcher and university staff and full-time staff in our university serves as a chief of this organization as a general rule. Installation period is five years and also possible extension. This system is expected to effect of the introduction of human resources of the company, human resource development of university-industry collaboration and homecoming consciousness, and contributions to adult education.

The Development Research Center for Algal Biomass and Energy System for the first number of "Develop Research Center" system was established in July, 2015. The center is the Japan's largest algal biomass, consists of about 50 faculty members, promote consistently up to basic research, empirical research and industrial applications, and aim to commercialization of oil extracted from algae and creation of new industries.

■ Activity and Achievement of Industry-Academia Collaboration

We are running "industry-academia collaboration promotion project" for the purpose of promoting research, educational activities aiming for technology transfer from our university to industry field and entrepreneurship by supporting cooperative research between our university and private enterprises, nurturing and supporting our university spin-offs.

In fiscal year 2014, we recruited in October and adopted the 11 projects. Nowadays, we carry out the 39 projects along with adoption projects in fiscal year 2012 and 2013.



Development Research Center for Algal Biomass and Energy System
[State of the Center Exterior]

List of projects adopted in fiscal year 2014

| Subject |
|---|
| Development of surgical support system by near-infrared image sensor |
| Development of motor skills measurement evaluation system using the motion sensor |
| Development of precise and safe flyable UAV under all adverse environment and its application to large-scale agricultural support |
| Selective recovery of precious metals from the metal waste using sulfuric acid of springs red algae |
| Development of a new cardiopulmonary resuscitation brain evaluation method using near-infrared spectroscopy |
| Establishment of blood circulating tumor cells[CTC] capture method using a cancer-specific porphyrin fluorescence by aminolevulinic acid administration |
| Founded in drug discovery venture company with the aim of innovative new drugs for unmet medical needs |
| Development of new cognitive function evaluation method and brain function activation tool that focuses on dexterity action |
| Development of lightweight and inexpensive eye movement measurement apparatus using a blood vessel image of the eye |
| The venture[MISSA] company related to cervical spine injury prevention, treatment and athletic rehabilitation of contact sport athletes |
| Research and development for the noise measurement business of semiconductor element |

Cooperative Research

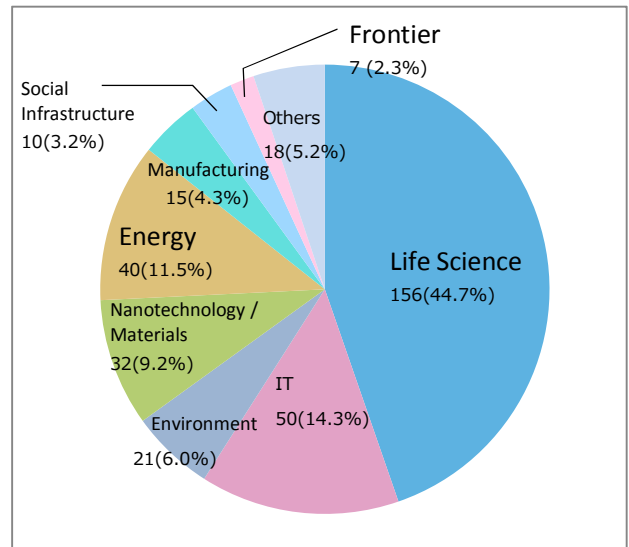
External funds received are reported on page 31.

Track Record of Cooperative Research (by research area) in Fiscal Year 2014

Cooperative Research is a system that our teachers and researchers from private enterprises together research on a common theme on an equal footing, which promotes to achieve superior results. We launched the "Cooperative Research Launch Support Project" in fiscal year 2010, and we recommend and support cooperative research by our young teachers and small/medium-sized enterprises in order to expand range of research activities.

If you have a consultation of Industry-Academia Collaboration, please send your thoughts to Division of Collaborative Research.

<http://www.sanrenhonbu.tsukuba.ac.jp/>



Of these, the number of local enterprises (in Ibaraki Prefecture) is

44 (of 349) (12.6% of all)

Main projects of combination of fund

| Theme | |
|---|--|
| Development of nanocarbon boron carrier for Boron Neutron Capture Therapy | Faculty of Medicine and Medical Sciences |
| Development of the evaluation system energy metabolic situation of tissues by nano precision | Faculty of Life and Environmental Sciences |
| Apart from these, 3 projects for Faculty of Pure and Applied Sciences, 2 projects for Faculty of Engineering, Information and Systems, 1 project for Faculty of Medicine and Medical Sciences, 1 project for Faculty of Life and Environmental Sciences | |
| Each institutions do cooperative research on 10 million yen(1.11 million yen per 1 project) | |

Establishment of "Combination of Fund between Tsukuba Univ. and AIST"

Our university and the National Institute of Advanced Industrial Science and Technology (AIST) gathered each budget and launched combination of funds, which is new attempt to raise cooperative research.

We aim to contribute to promote education/research/regional revitalization in Tsukuba Science City by creating cooperative research, discovering creative research seeds, creating many cooperative researches beyond the wall of academic fields and field of study leading to creation of innovation and accelerating and strengthening our alliance.

We received 67 projects applications and selected 9 projects considering the multiplier effect by combinations of funds, expecting degree of effective promotion of cooperative research, impact to society.

List of Endowed Courses at the University of Tsukuba in Fiscal Year 2014

| Endowed Course |
|---|
| Sleep Medicine Endowed Course |
| Toshokan Ryutsu Center (TRC) Library Management Course |
| Life-style Diseases Course Endowed by the JA Ibaraki Prefecture Welfare Federation of Agricultural Cooperative |
| Ibaraki Prefecture Department of Primary Care and Medical Education |
| "Environmental Disaster Prevention" Course |
| Research Course on Regional Medical System |
| Innovation in North & Middle Ibaraki Healthcare Network (Social Cooperation Program) |
| Arrhythmia Research Department |
| Innovation in South Ibaraki Healthcare Network |
| Innovation in Ibaraki Pediatric Healthcare Network |
| Innovation in Power Electronics of Toyota and Denso |
| Innovation in Power Electronics of Fuji Electric Holdings Corporation |
| Course on Perinatal Medicine |
| Certificate Programme on Nature Conservation (CPNC) |
| Southern Ibaraki Prefecture Department of Primary Care and Medical Education |
| Prevention and Treatment of Stroke Course Endowed by the JA Ibaraki Prefecture Welfare Federation of Agricultural Cooperative |
| Locomotorium Regenerative Medical Course Endowed by the JA Ibaraki Prefecture Welfare Federation of Agricultural Cooperative |
| Arrhythmia Next Generation Endowed Research Division |

Endowed Courses

The system of Endowed courses sets up and manages "endowed course" or "endowed research division", effectively utilizing donations from donors such as private enterprises. They aim to diversify and activate education and research of our university.

In fiscal year 2014, we set up 4 new courses of "Certificate Programme on Nature Conservation", "Southern Ibaraki Prefecture Department of Primary Care and Medical Education", "Prevention and Treatment of Stroke Course Endowed by the JA Ibaraki Prefecture Welfare Federation of Agricultural Cooperative" and "Locomotorium Regenerative Medical Course Endowed by the JA Ibaraki Prefecture Welfare Federation of Agricultural Cooperative". We hold a total of 18 courses including ones having been continued.



Researching seminar on future technology of Power Electronics

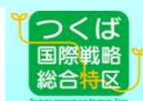


Symposium for commemorating the open of "Certificate Programme on Nature Conservation"

TSUKUBA INTERNATIONAL STRATEGIC ZONE

In December 2011, Tsukuba City and parts of Ibaraki Prefecture were designated as "International Strategic Zone". This zone is one of Japan's economic growth strategies. For projects authorized in this zones, various types of support and special treatment such as government funding and relaxation of regulation. Today, in Tsukuba International Strategic Zone, 7 leading research and development projects are being undertaken in order to create new industries with a global vision. Our university is involved in 7 all projects.

The details of TSUKUBA INTERNATIONAL STRATEGIC ZONE are introduced on website from URL below.



<http://www.tsukuba-sogotokku.jp/>

○Seven Pioneering Projects

Project Name (Field)/Project Outline

Life-Innovation

Development and Implementation of BNCT

The Boron Neutron Capture Therapy (BNCT) is a radiation therapy that selectively destroys only cancer cells and scarcely harms normal cells. So it's expected as an effective therapy for intractable cancers, for example infiltrating cancers and recurrent cancers. In this project, we try to develop small and safe tele therapeutic unit installed together with our hospital and develop peripherals devices such as radiotherapy planning system and etc.



Living with Personal Care Robots

Personal Care Robots is one which supports motion and movement and etc. in several scenes in human's life. Considering at super aging society, its future success in several scenes is anticipated and many research institutions and corporations research and develop it. We aim to construct continuous system from development of personal care robots to safety authentication and finally launch it inside and outside of Japan by making use of our strong point not seen in other area, such as the institution where we do safety test (National Institute of Advanced Industrial Science and Technology (AIST)) and the environment of various demonstration experiment including public roads.



Development of Innovative Pharmaceuticals and Medical Technologies Using Biomedical Resources in Tsukuba

By close collaboration of research institutions and pharmaceutical companies placed in Tsukuba area, we make use of the most biomedical resources in the world which Tsukuba has. We not only develop innovative medicines and medical technology in the field of cancers, epidemic diseases, cell therapy and etc., but also generate functional food one by one, which is effective in prevention of lifestyle-related diseases and anti-aging. Then we contribute to realize a "society of health and longevity" which is required in super aging society and "active society".



Domestic Production of Medical Radioisotope (Technetium-99m) in Japan

"Technetium formulation" is used in many cases of nuclear medicine scan, for example, in diagnosing cancers or examining brain, bones, flow of blood of myocardium. Technetium formulation is made of "molybdenum-9(99Mo)". Though Japan is the third most consumer nation of the formulation after USA and Europe, we depend all on imports. At this project, we make use of JMTR (Japan Materials Testing Reactor) and establish practical use of technology, aim for stable supply within Japan by domestic production and then try to strengthen international competitiveness of health care industry.



Creation of the Global Hub of Innovative Medical Robots and Medical Devices

We attempt to put Robot suit "HAL", which acquired international certification of medical devices at EU, into practice as medical devices. Also, we not only develop new remedy with robot suit HAL, but also the environment will be implemented, in which we can integrate from development and practice of new medical devices and medical technology by making use of cybermobs technology, international certification, experiments, remedy and social implementation to development of human resources who do these remedy. Then we try to become the hub where Japan leads world in the field of innovative medical devices of robot assistive devices of advanced medical treatment and advanced medical treatment.



Green-Innovation

Application of Algal Biomass Energy

Algae expected as raw materials of alternative fuel of petroleum fuel are receiving a lot of attention because it doesn't compete with food production and is biomass energy which has high production capacity. In this project, we focus on rare algae which produce hydrocarbon oil correspondent to heavy oil such as "Botryococcus" and "Aurantiochytrium." We establish this mass-production technology of algae and try to contribute to solving world energetic problems.



TIA-nano Creation of Global-Center Unit of Nano-Technology

TIA-nano (Tsukuba Innovation-Arena for nano-technology) is the Japan's largest nanotechnology research and education center established under the leadership of four institutes; the National Institute of Advanced Industrial Science and Technology (AIST), the National Institute for Materials Science (NIMS), the University of Tsukuba, and the High Energy Accelerator Research Organization (KEK). We attempt to do research and development by cooperation with industry, government, schools and to accelerate the introduction of nanotechnology innovations to the market and to foster human resources, taking advantage of the strength that research facilities and human resources of world-class research education on nanotechnology accumulate.



■ Lifelong Education

We provide lifelong education such as open courses and certificate programs for non-students.

Open courses release and diffuse educational and research achievements of our university through lectures in order to contribute to improvement of people's culture and development of people's ability at work and real life.

Certificate programs are special courses for adults. Each course requires 120 hours or more studies depending on its goals and contents. A certificate based on the School Education Law will be issued to those who have completed the program. It can be recorded as an educational background in curriculum vitae.

List of open courses

| Course | Number | Enrollee |
|---------------------------|-------------------|---------------------|
| Incumbent Training Course | 27 courses | 956 people |
| General Open Course | 30 courses | 730 people |
| Prioritized Open Course | 8 courses | 793 people |
| Total | 65 courses | 2,479 people |

List of certificate programs (In thousands of yen)

| Course | Enrollee | Total Revenue |
|--|------------------|---------------|
| Library Management Course | 10 people | 1,730 |
| University Management and Cultivation of Human Resources | 17 people | 1,238 |
| Total | 27 people | 2,968 |

■ Contribution to Society

We work on activities for contribution to society as a regional center of knowledge in order to return intellectual achievements to society positively.

We aim to create a bond between local people and our university, to bring up excellent human resources and to form a good cycle of regional activeness.

On the recovery and rebirth assistance project, we are carrying projects such as "Measures against Radiation," "Disaster Measures and Local Promotion", "Health-care, Medical-care, Mental-care" and "Support of Education, Cululture, and Sports" making use of our characteristic as a university with various academic fields. These projects are based on needs from suffering area.

Main projects of contribution to society (In thousands of yen)

| Project | Number | Total Expenditures |
|--|---------------------|--------------------|
| Recovery and Rebirth Assistance Project | 46 projects | 45,988 |
| Social Contribution Project | 45 projects | 12,230 |
| Science and Technology Week Assistance Project | 18 projects | 2,935 |
| Total | 109 projects | 61,153 |

○ A Case of Social Contribution Project

"Regional problem solving proposal for using a mathematical model based on high school exchange in Ibaraki Prefecture"

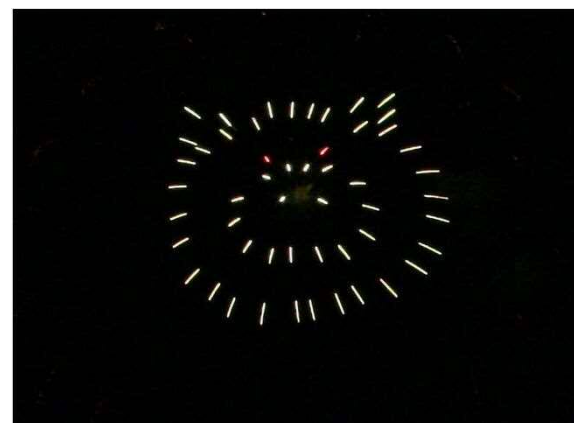
High school students in Ibaraki Prefecture make the proposal and its consideration of the solution by clarifying the problem and representing the challenges of its own discovered areas in the mathematical model.

"Dream fireworks"

The painting depicting the theme of "Dream fireworks" by pediatric patients in the illness launch in the actual fireworks. It is intended the children in the illness get with the hope and dream.



Regional problem solving proposal for using a mathematical model based on high school exchange in Ibaraki Prefecture



Dream fireworks

Besides the projects as above, we develop various projects of contribution to our region. Please see them from URL below.

[Lifelong Education] <http://www.tsukuba.ac.jp/education/>
 [Contribution to Society] <http://www.tsukuba.ac.jp/community/>

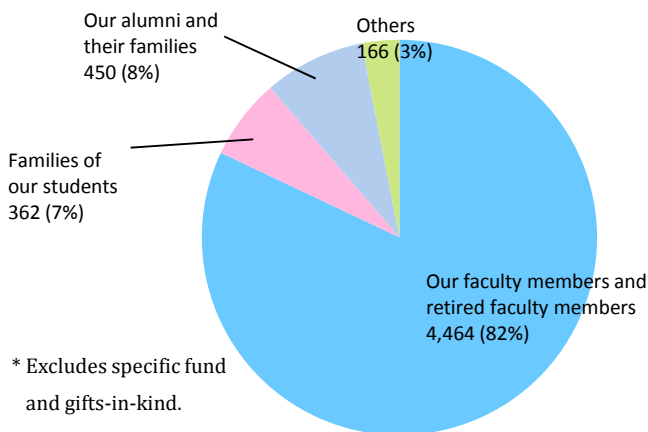


■ The University of Tsukuba Fund (TSUKUBA FUTURESHIP)

We established the “University of Tsukuba Fund (TSUKUBA FUTURESHIP)” in April 2010, aiming to contribute to various activities such as support for students in our university and children/students in our laboratory schools, promotion of education and research activities, and contribution to the regional community. This fund consists of two kinds of fund; the “General Fund” which provides support in levels from Support 1 to Support 4 aiming to reinforce four functions that our university should serve, and the “Specific Fund” which provides support in levels of Support 5 and Support 6 aiming to aid specific projects. We accept donations without designation of use and used books donations. We send those who donates more than 30 thousand yen and corporation donates more than 100 thousand yen the rice harvested in the Agriculture and Forestry Center in our university since fiscal year 2015.

| | |
|---------------|--|
| General Fund | [Support 1] Achievement of Outstanding Education and Development of Human Resources |
| | Financial Support for Students |
| | Support for the Extracurricular Activities of Students and Groups |
| | Support for the Activities of Laboratory Schools |
| | Support for the Exchange Activities between the University and Alumni |
| | [Support 2] International Exchange and Development of Global Human Resources |
| | [Support 3] Promotion of World-class Academic Research |
| | [Support 4] Regional Contribution as a Center of Knowledge |
| Specific Fund | [Support 5] University of Tsukuba Sports Association (TSA) Project |
| | [Support 6] Tsukuba University Hospital Support Services (Contributions to the Hospital) |

Donations in Fiscal Year 2014 (by classification of donors)



as of March 31st, 2015
Total amount: 463,569 thousand yen
Total number: 16,838 donations

As to information on the details of the activities of the University of Tsukuba Fund and on how to donate, you can see from URL below.

<https://futureship.sec.tsukuba.ac.jp/>

For the Supporters of the University of Tsukuba

■ The University of Tsukuba Alumni Association

The “University of Tsukuba Alumni Association” is a “forum” launched for the purpose of strengthening collaboration between our university and everyone involved in our university including graduates, completed students, current students, former faculty members, current faculty members, organizations for extracurricular activities, and specific alumni associations. Please make use of the “University of Tsukuba Alumni Association” when everyone involved in our university gathers, connects and promotes exchanges under the “common bond” of the “University of Tsukuba”.

In addition, we set up the “University of Tsukuba Alumni Association website” in July 2012. This website has a SNS which only those who are involved in our university such as graduates, completed students, current students, former faculty members, and current faculty members can access. Please make use of this SNS.



The University of Tsukuba Alumni Association on web
<https://alumni.tsukuba.ac.jp/>

■ The University of Tsukuba Alumni Association card

We concluded the partnership contract with Mitsui Sumitomo Corporation and started “The University of Tsukuba Alumni Association card” business since April 2015.



This card business has a mechanism of donating part of the proceeds of the card company to our university fund and putting economic assistance to students by using this card.

Also, we aim to foster a sense of unity of university officials including current students, graduates and faculty members and activate the alumni association business including the Alumni Association by having the card with the mark of “Go-sannokiri” designed by Kiyoshi Nishikawa Professor Emeritus.

Benefits of this card also receive a service of discount by about 200 stores in Tsukuba city suburbs. It is expected that the convenience is enhanced by incorporating the needs of everyone and expanding cooperation.

Research Related Expenses

Total expenses related to research (Research Related Expenses) are approximately 18.1 billion yen.

[Research Expenses]

Expenses for research funded by Management Expenses Grants, Subsidies, Donations, Non-Subsidy Revenue and etc.

[Sponsored Research Expenses]

Expenses for Sponsored Research and Cooperative Research

[Grants-in-Aid for Scientific Research (direct expenses)]

Subsidies provided by the national government for researcher individuals

[Amount Equivalent to Depreciation not recorded in P/L]

Expenses not recorded in P/L applied for depreciation of research assets which were acquired using assets invested from the national government, Facility Expenses or Appropriated Surplus

Breakdown of Research Related Expenses (In thousands of yen)

| Classification | FY 2014 |
|---|-------------------|
| Research expenses | 8,611,192 |
| Sponsored research expenses | 4,618,479 |
| Grants-in-Aid for Scientific Research (direct expenses) | 2,889,729 |
| Amount Equivalent to Depreciation not recorded in P/L | 2,027,305 |
| Total | 18,146,705 |

Research Related Expenses
approx. 9.74 million yen per teacher

= Research Related Expenses / The number of full-time teachers

Number of full-time teachers in FY 2014 : 1,864

[cf.] Figure reported in FY 2013 : approx. 9.81 million yen

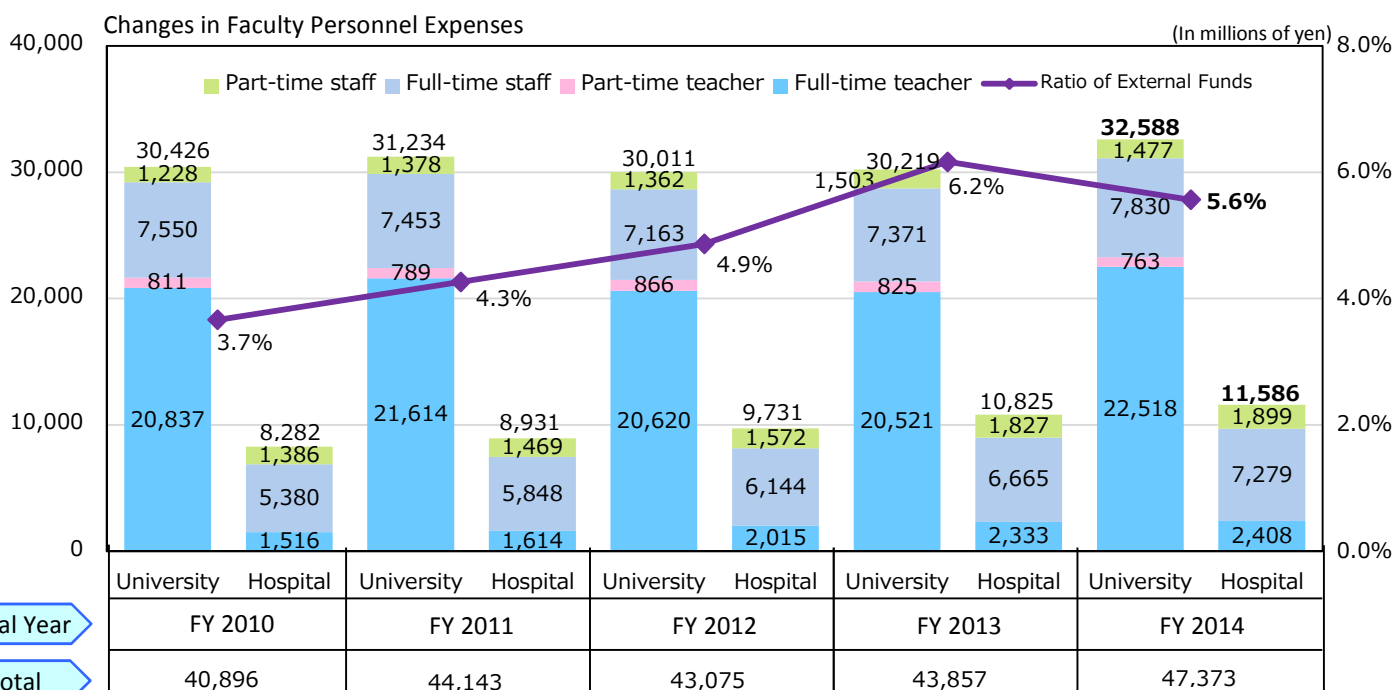
Personnel Expenses

Personnel Expenses account for 50.1% of Ordinary Expenses and approximately 47.4 billion yen is paid out (including 168 million yen for personnel expenses for directors and 3,031 million yen for retirement benefits). As for our university (excluding the university hospital), Personnel Expenses increased by 3,130 million yen (teachers 2,072 million yen, staff 1,073 million yen) due to increase associated with the influence that was the original payroll allowance while the Special Provisions Act to last for two years from fiscal year 2012 was finished, the salary revision was based on the recommendations of the National Personnel Authority, and increased the number of medical staff for doctors and nurse to strengthen the hospital function.

In addition, the proportion of External Funds to Personnel Expenses has been rising year by year, which shows we are diversifying operations of our university and actively running projects such as research, development and contribution to the regional community due to increase the number of teachers even though the end of large-scale projects and the ratio has declined due to the influence of personnel expenses increase other than the external funds of the above-mentioned.

| Classification | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|----------------|---------|---------|---------|---------|---------|
| Teachers | 1,709 | 1,791 | 1,800 | 1,799 | 1,896 |

Personnel Expenses ratio is reported on page 37



* The Personnel Expenses in graph do not include personnel expenses for directors and retirement benefits.

General Administrative Expenses

General Administrative Expenses are recorded as expenses necessary for management and operations of the university. In fiscal year 2014, General Administrative Expenses were approximately 2.7 billion yen with increase by 0.02 billion yen from fiscal year 2013. This is mainly caused by increase in compensation, consignment and commission costs. However, the ratio of General Administrative Expenses to Operating Expenses declined to 2.9% with decline by 0.2% because the entire Operating Expenses increased. It shows that efficiency of operations has been improved.

General Administrative Expenses Ratio

2.9%

= General Administrative Expenses / Operating Expenses

Changes in annual General Administrative Expenses ratio are reported on page 37

The University of Tsukuba Action Plan for Revenue and Expenditures Reform

We examined specific matters which lead to reduction in expenditures and expansion of revenue as well as we shared, followed up information in task force over the related department and examined the first report[February,2013] and the second report[February,2015] to aim to increase in revenue for rate hike by the idea of user fees and considering the introduction of a new profitable business, reduce cost of administrative expenses, personnel expenses and welfare expenses and propose a reform from the point of view of business reform and institutional reform since fiscal year 2012.

As the result in fiscal year 2014, we reflected the amount of income increased and cost reduced [approximately 55.98 million yen] in fiscal year 2015 budget by introduction the standard competition at the installation of vending machines and review of the circulation of public relations publications.

Improvement of Business Operations for Controlling Expenses

Our university, Tsukuba university of Technology and High Energy Accelerator Research Organization have been conducting joint procurement of staff residence halls maintenance and our university reduced costs for those by 5.02 million yen per year. We also have been conducting joint procurement of PPC paper continuously and our university reduced costs for those by 1.51 million yen per year. And we also reduced costs for those by 23.76 million yen by changing the contact approach to reverse auction.

In addition, in order to promote improvement of procurement system and cost reduction, we also reduced costs for those by 1 million yen due to enrollment of the purchase system (TUPS), which is for reagent and physics and chemistry supplies and has its own estimate competition function, was 93% of the available person.

Breakdown of General Administrative Expenses (In thousands of yen)

| Classification | FY 2013 | FY 2014 | Change |
|---|------------|------------|-----------|
| Consumables | 217,966 | 160,356 | ▲ 57,611 |
| Utility costs | 176,872 | 209,753 | 32,881 |
| Travel expenses | 73,584 | 66,423 | ▲ 7,161 |
| Maintenance costs | 214,344 | 268,412 | 54,068 |
| Repair costs | 278,978 | 268,250 | ▲ 10,729 |
| Non-life insurance premium | 55,376 | 53,507 | ▲ 1,869 |
| Advertising expenses | 109,972 | 67,893 | ▲ 42,079 |
| Compensation / Consignment / Commission | 874,056 | 943,780 | 69,724 |
| Tax and Dues | 191,602 | 129,035 | ▲ 62,567 |
| Depreciation Expenses | 238,491 | 258,428 | 19,937 |
| Others | 204,491 | 230,975 | 26,483 |
| Total General Administrative Expenses | 2,635,734 | 2,656,811 | 21,077 |
| Operating Expenses (cf. p. 23) | 85,892,938 | 90,975,676 | 5,082,738 |
| General Administrative Expenses Ratio | 3.1% | 2.9% | ▲ 0.2% |

List of Second Matters Examined

| Matter |
|--|
| ○ Construction of efficient and economic budget scheme Scheme construction of budget execution avoidance of unnecessary non-urgent |
| ○ Rationalization of indirect operations[management operations] Unification of various notification data of faculty |
| ○ Promotion of strategic asset management Deployment of profitable business utilizing PFI projects |
| ○ Further expansion of beneficiary burden Review of parking fees for faculty and students |
| ○ A new policy of income for the secure The planning competition introduction at the installation of vending machines |
| ○ Effective measures for cost reduction The cost reduction by reviewing issue such as the number of public relations publications |

Balance Sheet (B/S)

(In millions of yen)

| Item | FY 2013 | FY 2014 | change |
|--|---------|---------|--------|
| Assets | 404,149 | 401,905 | ▲2,244 |
| Fixed Assets | 382,236 | 379,712 | ▲2,524 |
| Land | 248,553 | 248,513 | ▲40 |
| Buildings | 88,476 | 93,058 | 4,582 |
| Structures | 5,274 | 5,184 | ▲90 |
| Mechanical equipment/tools, furniture and fixtures | 19,838 | 17,465 | ▲2,373 |
| Books | 9,928 | 10,009 | 80 |
| Works of art and Collected items | 871 | 899 | 28 |
| Construction in Progress | 4,833 | 756 | ▲4,077 |
| Patents | 181 | 208 | 27 |
| Software | 283 | 249 | ▲34 |
| Patent in Progress | 237 | 236 | ▲1 |
| Investment in Securities | 3,202 | 2,601 | ▲601 |
| Other Fixed Assets | 560 | 534 | ▲26 |
| Current Assets | 21,913 | 22,193 | 280 |
| Cash and Deposits | 8,948 | 14,702 | 5,753 |
| Accounts Receivable | 6,000 | 6,595 | 595 |
| Marketable Securities | 6,700 | 600 | ▲6,100 |
| Drugs, Medicine and Materials for Medical Services | 161 | 147 | ▲14 |
| Other Current Assets | 103 | 149 | 46 |

It decreased due to selling land of Ishiuchi Training Center (▲40 million yen).

It increased due to completion of building for the International Institute for Integrative Sleep Medicine (IIS) (2,310 million yen) and building for the Innovation Medical Research Institute (1,975 million yen), etc.

It decreased due to depreciation expenses even though it increased due to acquisition of the Tandem Accelerator (956 million yen).

It decreased due to completion of building for the International Institute for Integrative Sleep Medicine (IIS) (▲1,456 million yen), completion of building for the Innovation Medical Research Institute (▲1,057 million yen) and acquisition of the Tandem Accelerator (▲558 million yen), etc.

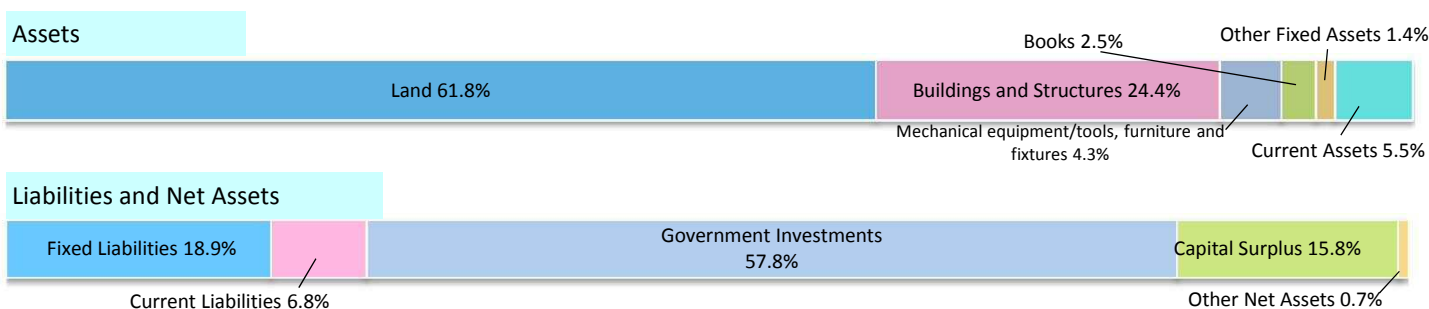
It decreased due to redemption at maturity of government bonds (5 years).

It increased due to making deposits in large time deposits by redemption at maturity of marketable securities.

It decreased due to change in large time deposits from certificate of deposit.

Financial Statements in Fiscal Year 2014

○ Breakdown of Assets / Liabilities / Net Assets by composite in fiscal year 2014



(In millions of yen)

| Item | FY 2013 | FY 2014 | Change |
|--|---------|---------|---------|
| Liabilities | 114,844 | 103,295 | ▲11,549 |
| Fixed Liabilities | 86,497 | 75,881 | ▲10,616 |
| Per Contra Liabilities for Property Acquisition | 32,104 | 28,628 | ▲3,476 |
| Borrowings | 23,254 | 18,869 | ▲4,385 |
| Long-term PFI Liabilities | 26,763 | 24,919 | ▲1,845 |
| Other Fixed Liabilities | 4,375 | 3,466 | ▲909 |
| Current Liabilities | 28,347 | 27,414 | ▲933 |
| Management Expenses Grants Liabilities | 2,420 | 822 | ▲1,598 |
| Donation Liabilities | 3,662 | 3,845 | 183 |
| Borrowings scheduled to be repaid within one year | 4,413 | 4,385 | ▲28 |
| Short-term PFI Liabilities | 1,839 | 1,845 | 6 |
| Accounts Payable | 11,489 | 12,446 | 957 |
| Other Current Liabilities | 4,523 | 4,071 | ▲452 |
| Net Assets | 289,306 | 298,610 | 9,304 |
| Government Investment | 232,416 | 232,358 | ▲58 |
| Capital Surplus | 53,749 | 63,355 | 9,605 |
| Reserve Funds Carried Forward from Previous Mid-Term Plan Period | 3,391 | 2,019 | ▲1,372 |
| Appropriated Surplus | 123 | - | ▲123 |
| Reserve | 995 | 995 | - |
| Unappropriated retained earnings (or Undisposed loss) at the end of the term | ▲1,368 | ▲117 | 1,252 |

It decreased due to completion of building for the International Institute for Integrative Sleep Medicine (IIIS) (▲1,132 million yen), completion of building for the Innovation Medical Research Institute (▲1,012 million yen), etc.

It decreased due to Redemption of PFI Liabilities for the University Hospital redevelopment project (▲1,642 million yen) and the Laboratory Animal Resource Center (▲197 million yen).

The balance carried forward decreased compared to fiscal year 2013 due to completion the project that was planned. The following are main items: expenses of reconstruction related projects (121 million yen), retirement benefits (171 million yen) and special expenditure projects (342 million yen).

It decreased due to regular repayment of borrowings from financial institutions for purchasing land (▲3,963 million yen) and borrowings from the Center for National University Finance and Management (▲508 million yen).

It increased due to repair works on building for the Institutes of Natural Sciences (Bldg. B) (267 million yen) at the end of fiscal year 2014.

It decreased due to selling land of Ishiuchi Training Center (▲58 million yen).

It increased due to repayment of borrowings for purchasing land (3,963 million yen) and acquisition of fixed assets (10,629 million yen), etc.

It decreased due to disposition of loss for fiscal year 2013 (▲1,368 million yen), etc.

It decreased due to appropriate for Projects for reserve and maintenance of education and research environment (relation of repair works on building) (▲123 million yen).

Financial Statements in Fiscal Year 2014

Balance Sheet (B/S)

Reveals the financial condition of a corporation on the day of settlement. Liabilities and Net Assets show the “source of fund procurement” and Assets show “how the procured funds have been managed”.

Assets : The majority is Fixed Assets such as land and buildings.

Liabilities : Borrowings (including PFI Liabilities) account for 48%, but we are striving to achieve a stable financial operation by making repayments in a well-planned manner.

Net Assets : They account for 74% of the total of Liabilities and Net Assets with 78% coming from government investment.

Profit and Loss Statement (P/L)

(In millions of yen)

| Item | FY 2013 | FY 2014 | Change |
|---|---------|---------|--------|
| Ordinary Expenses | 89,708 | 94,611 | 4,903 |
| Operating Expenses | 85,893 | 90,976 | 5,083 |
| Education Expenses | 7,220 | 6,828 | ▲392 |
| Research Expenses | 8,936 | 8,620 | ▲316 |
| Medical Service Expenses | 18,755 | 19,238 | 483 |
| Education and Research Support Expenses | 2,523 | 2,419 | ▲104 |
| Sponsored Research Expenses | 3,787 | 4,618 | 832 |
| Sponsored Operations Expenses | 816 | 1,880 | 1,064 |
| Personnel Expenses | 43,857 | 47,373 | 3,516 |
| General Administrative Expenses | 2,636 | 2,657 | 21 |
| Financial Expenses | 1,044 | 925 | ▲119 |
| Miscellaneous Loss | 135 | 53 | ▲82 |
| Extraordinary Loss | 279 | 54 | ▲226 |
| Gross Income (Loss) | ▲1,368 | ▲117 | 1,252 |

It decreased due to repair works on building (the General Gymnasium, the Institute of Medicine) at fiscal year 2013 (▲436 million yen).

It decreased due to lease and maintenance costs of the super computer (▲204 million yen), maintenance checkup costs of the research facility (▲70 million yen), etc.

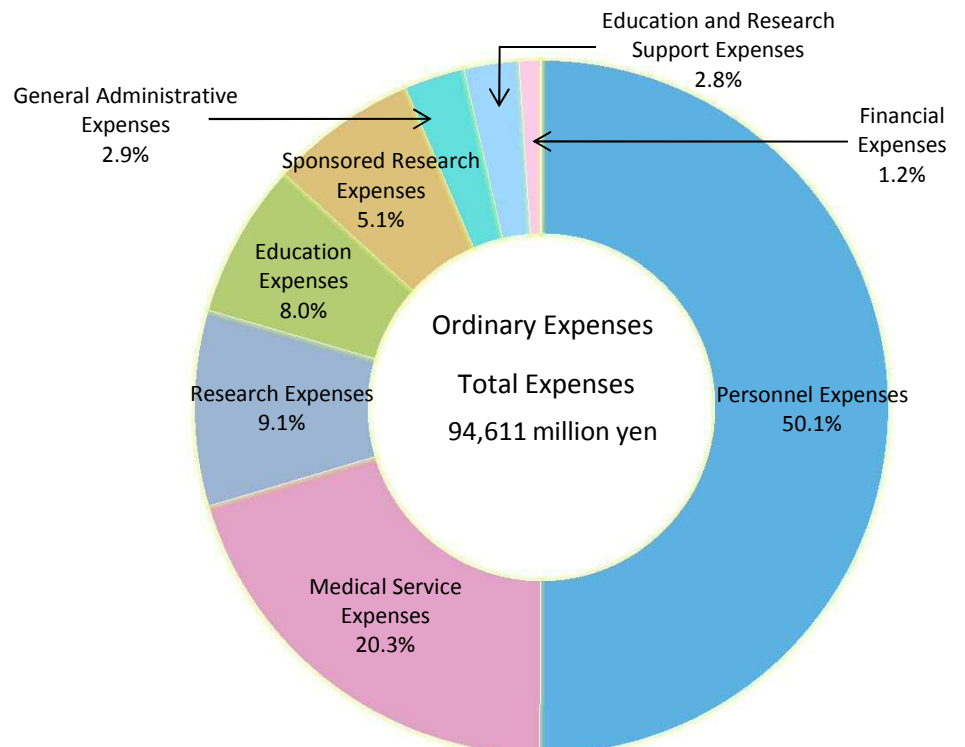
Pharmaceuticals costs required for securing income by running highly advanced and acute stage medical care increased (748 million yen), Consignment costs decreased due to reduction in costs such as review of PFI (▲270 million yen).

It increased due to end of reduced salary according to the Special Provisions Act (2,229 million yen), salary revision by recommendation from the National Personnel Authority (440 million yen) and increase in retirement benefits due to increase of retirees of teachers (531 million yen).

It increased due to increase in Communications and Freight Expenses by repair works on building (Cooperative Research Building A) (26 million yen).

It decreased due to casualty loss for disaster restoration projects (17 million yen) and loss on retirement of fixed assets (37 million yen).

○ Breakdown of Ordinary Income and Expenses by composite in fiscal year 2014



What is the difference between Income and Revenue?

Income / Expenses : accrual basis accounting

Revenue / Expenditures : cash basis accounting

Income that is not Revenue

(ex) accrued income such as interest

Revenue that is not Income

(ex) unearned revenue such as down payments

Expenditures that are not Expenses

(ex) prepayments such as rents

Expenses that are not Expenditures

(ex) depreciation expenses



(In millions of yen)

| Item | FY 2013 | FY 2014 | Change |
|---|---------|---------|--------|
| Ordinary Income | 88,276 | 94,377 | 6,102 |
| Management Expenses Grants Income | 35,683 | 37,744 | 2,061 |
| Student Fee Income | 9,255 | 9,231 | ▲24 |
| University Hospital Income | 26,185 | 28,103 | 1,919 |
| Sponsored Research / Sponsored Operations Income | 5,133 | 7,119 | 1,986 |
| Facilities Expenses Grants Income | 768 | 928 | 160 |
| Subsidy Income | 3,726 | 2,893 | ▲833 |
| Donation Income | 1,828 | 1,954 | 126 |
| Reversal of Per Contra Liabilities for Property Acquisition | 3,364 | 3,960 | 597 |
| Financial Income | 40 | 42 | 2 |
| Miscellaneous Gains | 2,293 | 2,402 | 109 |
| Extraordinary Profit | 137 | 49 | ▲87 |
| Reduction of Appropriated Surplus | 162 | 117 | ▲45 |
| Reduction of Reserve Funds Carried Forward from Previous Mid-Term Plan Period | 44 | 4 | ▲41 |

Personnel expenses increased (1,956 million yen), Retirement benefits increased (466 million yen).

It decreased due to increase in student fee (69 million yen) and increase in acquisition of assets by tuition fee (▲93 million yen).

It increased due to rise in rate of bed operation (337 million yen), increase in the number of surgeries (327 million yen) and increase in the number of outpatients (302 million yen), etc.

It increased due to increase of enforcement costs due to the acceptance increase of Multi Support Project (977 million yen) and Tsukuba International Strategic Zone (574 million yen).

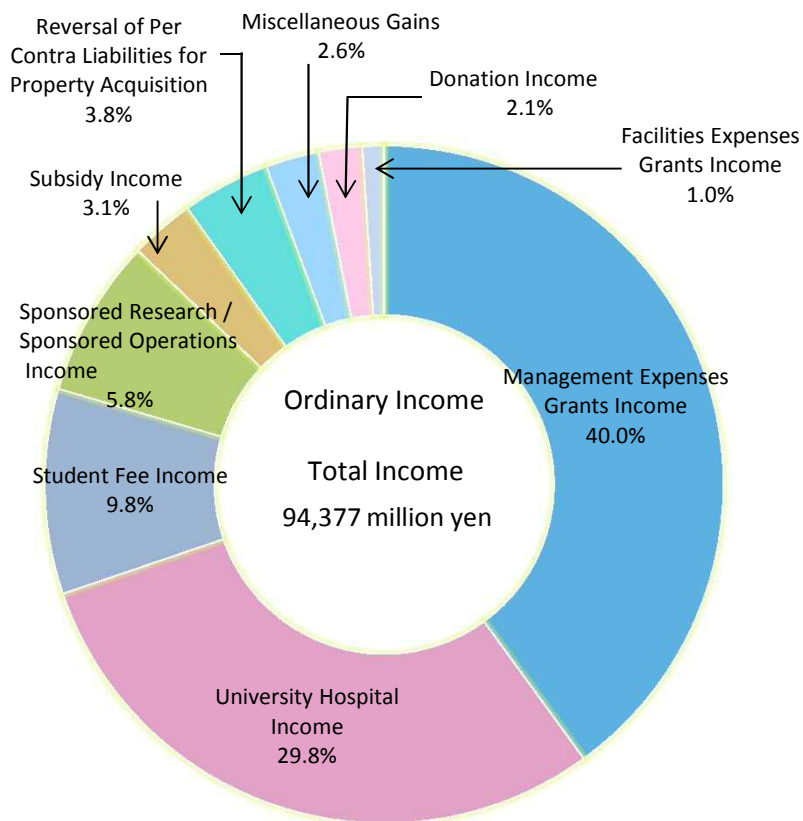
It decreased due to finished the FIRST Program in fiscal year 2013 (▲773 million yen).

It increased due to Certificate Program on Nature Conservation (Endowed course) (56 million yen), Hitachinaka Medical Education and Research Center and Hitachi Medical Education and Research Center operations (53 million yen), etc.

Income for disaster restoration projects (17 million yen) and loss on retirement of fixed assets (32 million yen) are recorded.

It appropriated for Projects for Reserve and Maintenance of Education and Research Environment (relation of repair works on building) (117 million yen).

It appropriated for projects for Remodeling Student Residence Hall (4 million yen).



Profit and Loss Statement (P/L)

The statement shows the amount of income minus expenses as profit. It reveals the situation with the operation of a national university corporation during a certain accounting period.

Cash Flow Statement (C/F)

(In millions of yen)

It shows the flow of cash, such as business revenue and expenditures, related to conducting the respective operations of education and research, etc.

It records the difference between the amount received and the amount paid.

It shows the flow of cash in fund management or acquisition of Fixed Assets for establishing the operational foundation towards the future.

It shows the flow of cash in repayment of Borrowings, etc.

It shows the changes in the amount of funds during the fiscal term. The increase in funds during the fiscal term is due to the increase in investment activities for maturity redemption of securities.

The closing balance does not include time deposits and thus does not match the Cash and Deposits in Balance Sheet.

| Items | FY 2013 | FY 2014 | Change |
|---|----------|----------|----------|
| I Cash Flow from Operating Activities | 11,840 | 10,943 | ▲ 897 |
| Education/Research Operation Expenditures | ▲ 18,621 | ▲ 17,522 | 1,100 |
| Medical Service Operation Expenditures | ▲ 14,518 | ▲ 15,298 | ▲ 780 |
| Expenditures of Personnel Expenses | ▲ 43,753 | ▲ 46,632 | ▲ 2,878 |
| Other Operating Expenditures | ▲ 2,938 | ▲ 3,018 | ▲ 79 |
| Management Expenses Grants Revenue | 40,378 | 41,231 | 853 |
| Student Fee Revenue | 9,120 | 9,178 | 58 |
| University Hospital Revenue | 25,938 | 27,568 | 1,630 |
| Sponsored Research/Operations Revenue | 5,034 | 6,514 | 1,480 |
| Subsidy Revenue | 6,859 | 4,569 | ▲ 2,290 |
| Donation Revenue | 2,579 | 1,942 | ▲ 638 |
| Other Operating Revenue | 2,534 | 2,394 | ▲ 140 |
| Changes in Deposits Payable | ▲ 771 | 18 | 789 |
| Amount Paid to National Treasury | - | - | - |
| II Cash Flow from Investing Activities | ▲ 2,084 | 173 | 2,257 |
| Expenditures from Acquisition of Marketable Securities | ▲ 48,999 | ▲ 16,300 | 32,699 |
| Revenue from Sale of Marketable Securities | 53,400 | 23,000 | ▲ 30,400 |
| Expenditures from Acquisition of Tangible/Intangible Fixed Assets | ▲ 16,973 | ▲ 11,901 | 5,072 |
| Revenue from Sales of Tangible/Intangible Fixed Assets | 679 | 12 | ▲ 667 |
| Expenditures from Deposit of Time Deposits | ▲ 5,200 | ▲ 33,800 | ▲ 28,600 |
| Revenue from Refund of Time Deposits | 4,300 | 30,600 | 26,300 |
| Revenue from Facility Expenses | 11,044 | 8,525 | ▲ 2,519 |
| Expenditures of Refund from Settling Facility Expenses | ▲ 42 | - | 42 |
| Expenditures of payment of the Center for National University Finance and Management Debt Burden | ▲ 340 | ▲ 5 | 335 |
| Other Investing Expenditures | ▲ 0 | ▲ 1 | ▲ 1 |
| Interests and Dividends Received | 47 | 42 | ▲ 5 |
| III Cash Flow from Financing Activities | ▲ 9,174 | ▲ 8,562 | 612 |
| Expenditures for Repayment of Lease Liabilities | ▲ 1,332 | ▲ 1,151 | 180 |
| Expenditures for Repayment of the Center for National University Finance and Management Debt Burden | ▲ 487 | ▲ 429 | 58 |
| Expenditures for Repayment of Long-term Borrowings | ▲ 3,984 | ▲ 3,984 | - |
| Other Financing Expenditures | ▲ 2,238 | ▲ 1,984 | 254 |
| Interest Paid | ▲ 1,133 | ▲ 1,013 | 120 |
| IV Differences from Currency Conversion of Funds | ▲ 1 | ▲ 0 | 1 |
| V Changes in Funds | 581 | 2,553 | 1,973 |
| VI Initial Balance | 6,368 | 6,948 | 581 |
| VII Closing Balance | 6,948 | 9,502 | 2,553 |

Cash Flow Statement (C/F)

The statement focuses on the flow of cash during a certain accounting period and displays them by specific activity segments. It shows the flow and overage/shortage of cash that cannot be seen in "Balance Sheet" or "Profit and Loss Statement."

While Profit and Loss Statement shows the expenses and income generated during the fiscal term, this statement recognizes and measures the fact of "cash received and paid" including borrowings and additional investments unrelated to expenses and income, and it is indicated as revenue (plus) and expenditures (minus: ▲) segments.

National University Corporation Business Operation Cost Statement (O/C)

(In millions of yen)

| Items | FY 2013 | FY 2014 | Change |
|---|---------|---------|--------|
| I Operating Expenses | 45,223 | 45,617 | 394 |
| 1) Expenses in Profit and Loss Statement | 89,987 | 94,665 | 4,677 |
| Operating Expenses | 85,893 | 90,976 | 5,083 |
| General Administrative Expenses | 2,636 | 2,657 | 21 |
| Financial Expenses | 1,044 | 925 | ▲119 |
| Miscellaneous Expenses | 135 | 53 | ▲82 |
| Extraordinary Loss | 279 | 54 | ▲226 |
| 2) (Deduction) Non-Subsidy Revenue | ▲44,764 | ▲49,048 | ▲4,284 |
| Tuition Fee Income | ▲7,609 | ▲7,576 | 33 |
| Admission Fee Income | ▲1,341 | ▲1,352 | ▲11 |
| Examination Fee Income | ▲305 | ▲304 | 2 |
| University Hospital Income | ▲26,185 | ▲28,103 | ▲1,919 |
| Sponsored Research Income | ▲4,288 | ▲5,150 | ▲863 |
| Sponsored Operations Income | ▲846 | ▲1,969 | ▲1,123 |
| Donation Income | ▲1,828 | ▲1,954 | ▲126 |
| Reversal of Management Expenses Grants Per Contra Liabilities for Property Acquisition (Tuition Fee) | ▲327 | ▲505 | ▲179 |
| Reversal of Donations Per Contra Liabilities for Property Acquisition | ▲607 | ▲580 | 27 |
| Financial Income | ▲40 | ▲42 | ▲2 |
| Miscellaneous Gains | ▲1,322 | ▲1,500 | ▲178 |
| Extraordinary Income | ▲68 | ▲13 | 55 |
| II Depreciation Amount not Included in P/L | 4,649 | 4,868 | 219 |
| III Impairment Loss Amount not Included in P/L | 37 | 227 | 191 |
| IV Interest Expense Equivalent Amount not Included in P/L | 38 | ▲10 | ▲48 |
| V Sales or Disposal Amount not Included in P/L | 72 | 63 | ▲9 |
| VI Estimated Amount of Increase in Unreserved Bonus | 218 | 12 | ▲206 |
| VII Estimated Amount of Increase in Unreserved Retirement Benefit | ▲425 | ▲1,828 | ▲1,404 |
| VIII Opportunity Cost | 1,920 | 1,225 | ▲695 |
| Opportunity cost of debt-credit transactions of decreased or free-of-charge usage fees from the national government or local public authorities | 129 | 89 | ▲41 |
| Opportunity cost of government investment | 1,790 | 1,136 | ▲654 |
| IX National University Corporation Business Operation Cost | 51,731 | 50,173 | ▲1,558 |

It shows the expenses in Profit and Loss Statement minus income of Non-Subsidy Revenue.

It shows income other than that coming from tax money from the Japanese people.

It shows the increase in the cost borne by the Japanese people that is not included in Profit and Loss Statement.

It shows the amount waived or reduced for being a national university corporation, in using assets held by the government, etc.

It includes staff residence halls rented free of charge from the national government.

No interest payment is required on government investments recorded in Balance Sheet, but this shows the hypothetical amount that would be paid.

Financial Statements in Fiscal Year 2014

National University Corporation Business Operation Cost Statement (O/C)

The statement summarizes costs borne by the Japanese people for business operations of a national university corporation to ensure thoroughness of information disclosure so that it would contribute to the evaluation/assessment of operations of a national university by the Japanese people as taxpayers.

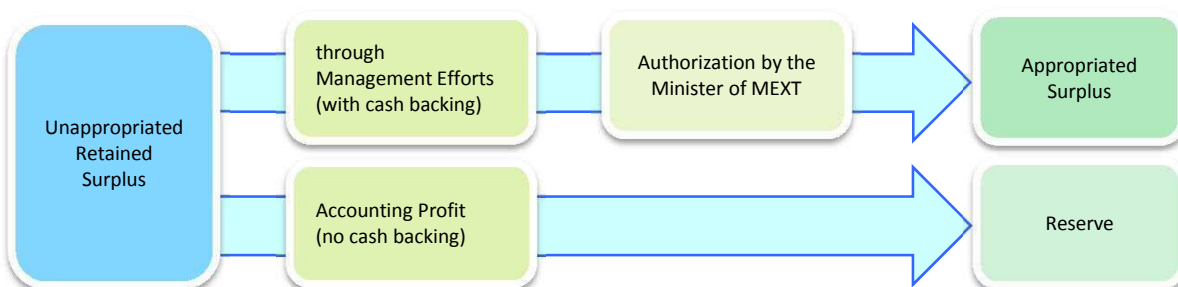
That is to say, it represents the amount borne by the Japanese people for our university.

Statement on Appropriation of Retained Surplus or Disposition of Loss (draft)

(In millions of yen)

| Items | FY 2013 | FY 2014 | Change | Outlines |
|---|---------|---------|--------|---|
| I Unappropriated Retained Surplus (or Undisposed Loss) at the end of the term | ▲1,368 | ▲117 | 1,252 | |
| Gross Profit (Loss) | ▲1,368 | ▲117 | 1,252 | |
| Deficit Brought Over | - | - | - | Deficit brought forward from the former fiscal year, which should be covered by Profit of referred fiscal year |
| II Retained Surplus Appropriation (Loss Disposition) | ▲1,368 | ▲117 | 1,252 | |
| Appropriated Surplus | - | - | - | Amount to be requested for approval by the Minister of MEXT under the National University Corporations Law Article 35, which provides for the mutatis mutandis application of the Act on the General Rules for Incorporated Administrative Agencies Article 44, Paragraph 3 (This amount, with cash backing, may be carried forward to the next fiscal year upon receiving authorization of management efforts and making the use of the fund clear.) |
| Reserve | ▲1,368 | ▲117 | 1,252 | In case Unappropriated Retained Surplus at the end of the term emerges, the amount other than Appropriated Surplus is categorized as Reserve. In case Undisposed Loss at the end of the term emerges, the loss is covered by the reduction of Reserve. |
| III Deficit Carried Forward | - | - | - | Deficit carried forward to the next fiscal year in case the Loss was not covered completely as a result of the Disposition of Loss |

○ Flow of Appropriation of Earned Surplus



Statement on Appropriation of Retained Surplus

National University Corporations are non-profit corporations which conduct operations with Management Expenses Grants received. Its accounting is based on a system under which the profit and loss shall be balanced if operations are implemented as planned. However, if non-subsidy revenue increases or costs decrease by efficient operations management, there will be a profit. "Statement on Appropriation of Retained Surplus" is prepared in order to show how this profit will be carried forward to the next fiscal year.

Earnings Statement

○ Revenue

| Classification | Budget | Actual | (In millions of yen) | |
|--|----------------|----------------|---------------------------------|--|
| | | | Difference (Actual - Budget) | |
| Management Expenses Grants | 43,287 | 43,897 | 611 | It increased due to additional allocation, etc. |
| Facilities Maintenance Grants | 8,340 | 8,346 | 6 | |
| Subsidy Revenue | 3,859 | 4,156 | 297 | It increased to attend to get subsidies from the country that were not planned in the budget stage. |
| Grants for Facilities from the Center for National University Finance and Management | 175 | 175 | - | |
| Non-Subsidy Revenue | 36,838 | 38,122 | 1,284 | It increased due to increase in the number of surgical operations and sickbed of efficient operation [rise of sickbed occupancy rate and shortening of the length of stay], etc. |
| Revenue from Tuitions, Admission and Examination Fee | 9,195 | 9,173 | ▲22 | |
| University Hospital Revenue | 26,318 | 27,568 | 1,250 | |
| Revenue from appropriation of property | 17 | 10 | ▲6 | |
| Other Miscellaneous Revenue | 1,308 | 1,371 | 63 | |
| Revenue from Industry-Academia Collaboration Research and Donations | 8,491 | 11,060 | 2,570 | Revenue increased due to efforts to gain funds. |
| Reduction of Reserve Allowance | 449 | 470 | 21 | |
| Reduction of Appropriated Surplus | 123 | 123 | ▲0 | It increased due to increase retirees. |
| Total | 101,562 | 106,350 | 4,788 | |

○ Expenditures

| Classification | Budget | Actual | (In millions of yen) | |
|--|----------------|----------------|---------------------------------|---|
| | | | Difference (Actual - Budget) | |
| Operating Expenses | 73,806 | 74,206 | 400 | Education and Research Expenses decreased due to carry forward operations to be performed continuously in fiscal year 2015, on the other hand, Medical Service Expenses increased due to increase medical achievements. |
| Education and Research Expenses | 48,988 | 48,171 | ▲816 | |
| Medical Service Expenses | 24,818 | 26,035 | 1,217 | It increased due to the disaster recovery work[Sakado high school] by heavy snow. |
| Facility Maintenance Expenses | 10,412 | 10,418 | 6 | |
| Subsidies | 3,859 | 4,156 | 297 | Expenditures increased with increase in the amounts received of Subsidies. |
| Expenditures for Industry-Academia Collaboration Research and Donation Projects | 8,491 | 9,821 | 1,330 | Expenditures increased with increase in the amounts received of Donations. |
| Redemption of Long-term Borrowings | 4,986 | 4,986 | ▲0 | |
| Paid for Facilities from the Center for National University Finance and Management | 8 | 5 | ▲3 | |
| Total | 101,562 | 103,592 | 2,030 | |

Earnings Statement

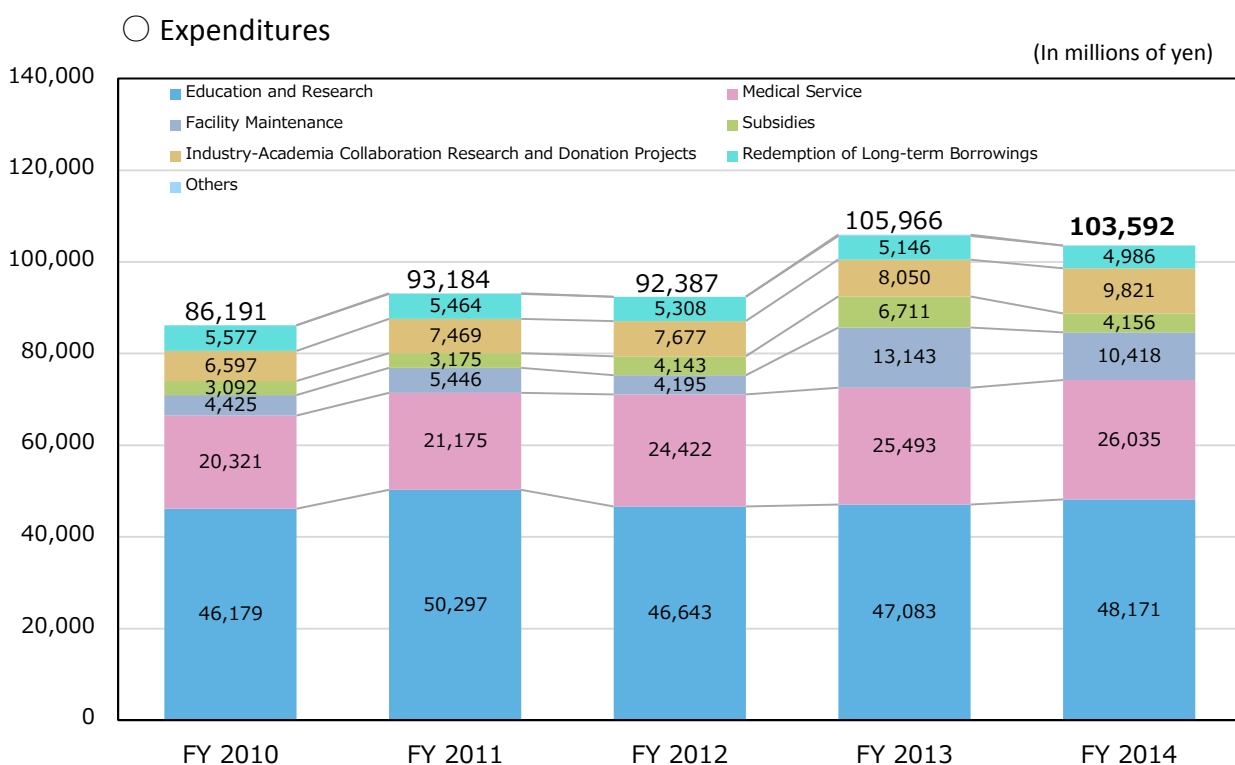
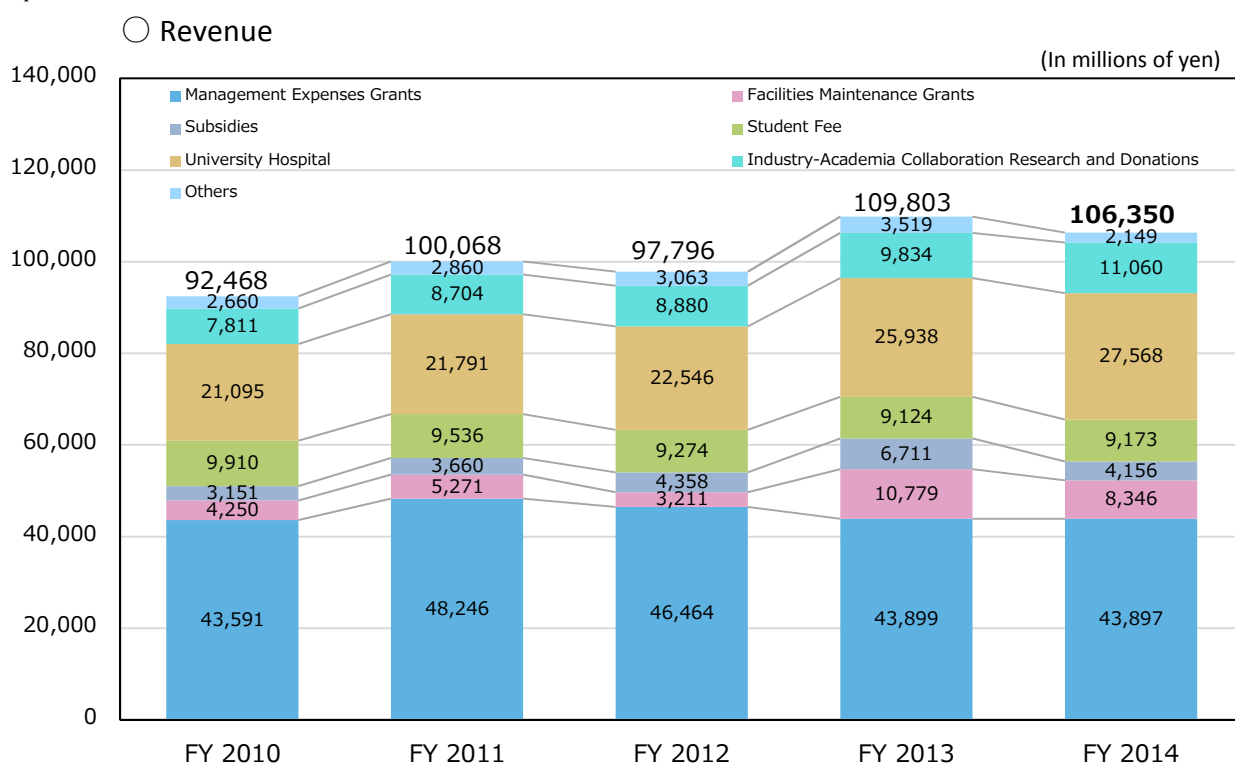
As the majority of the operating funds is appropriated from the national government resources, management by budget classifications similar to that of the national government is required. The statement shows the situation of implementation in comparisons to the budget plan.

On Operating Expenses

Changes in Annual Operating Expenses

The revenue of our university consists of Management Expenses Grants and Facilities Maintenance Grants, which are provided by the national government, Subsidies, external funds such as Industry-Academia Collaboration Research and Donations, Non-Subsidy Revenue such as Student Fee and University Hospital Revenue, and etc. Looking at the changes since fiscal year 2010, our revenue is in an increasing trend except for Subsidies.

The expenditures consist of Education and Research Expenses, Medical Service Expenses, Industry-Academia Collaboration Research Expenses, and etc. Our expenditures have also been increasing year by year since fiscal year 2010 except for Subsidies. Therefore, our Operating Expenses are in an increasing trend, and it can be seen that operations of our university have been expanding.



On Profit (Loss)

Main Causes of Gross Loss

Gross Profit (Loss) of our university in fiscal year 2014 was ▲117 million yen (215 million yen for our university and ▲332 million yen for the university hospital). It was caused by following matters.

(1) Main causes of the Profit and Loss of our university

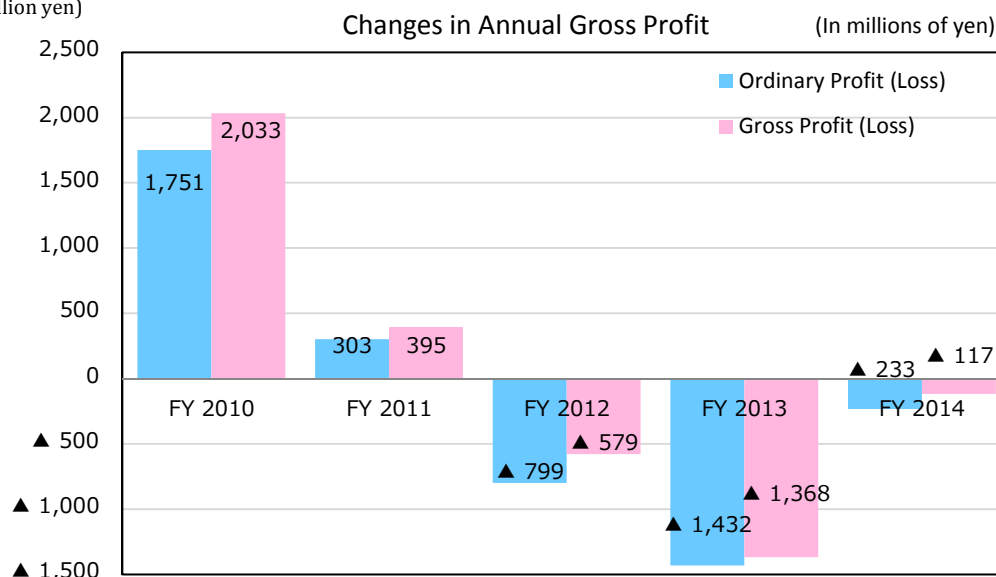
- 1) The causes of the Profit on accounting due to gap between recording fiscal year of the consumption tax and fiscal year of refund and payment of consumption tax (155 million yen)
- 2) The causes of the Profit due to saving of the expenses (reduce the use of Utility costs, review of the contract methods towards Revenue ensure, increase in revenue due to increased new students), etc. (111 million yen)
- 3) The causes of the Loss due to Depreciation Expenses for assets which were acquired using Non-subsidy Revenue (▲51 million yen)

(2) Main causes of the Loss of the university hospital

- 1) The causes of the Loss due to Depreciation Expenses for assets in initial stage of the University Hospital redevelopment project (▲332 million yen)

Gross Profit (Loss) in fiscal 2014 (In millions of yen)

| Classification | University | University hospital | Total |
|-----------------------------------|------------|---------------------|--------------|
| Ordinary Expenses | ▲ 60,517 | ▲ 34,094 | ▲ 94,611 |
| Ordinary Income | 60,615 | 33,762 | 94,377 |
| Extraordinary Profit and Loss | ▲ 4 | 0 | ▲ 4 |
| Reduction of Appropriated Surplus | 121 | 0 | 121 |
| Gross Income(Loss) | 215 | ▲ 332 | ▲ 117 |

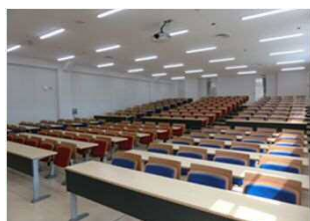


Implementation of Appropriated Surplus

In fiscal year 2014, we reduced 3,548 thousand yen of Reserve Funds Brought Forward from Previous Mid-Term Plan Period into "Projects for remodeling student residence halls" and 123,192 thousand yen of Appropriated Surplus into "Projects for reserve and maintenance of education and research environment (Transfer expenses and facility expenses associated with new building due to Earthquake-resistant repair work)".



Medical Library (The 2nd floor reading seat)



2B building (411 lecture room)

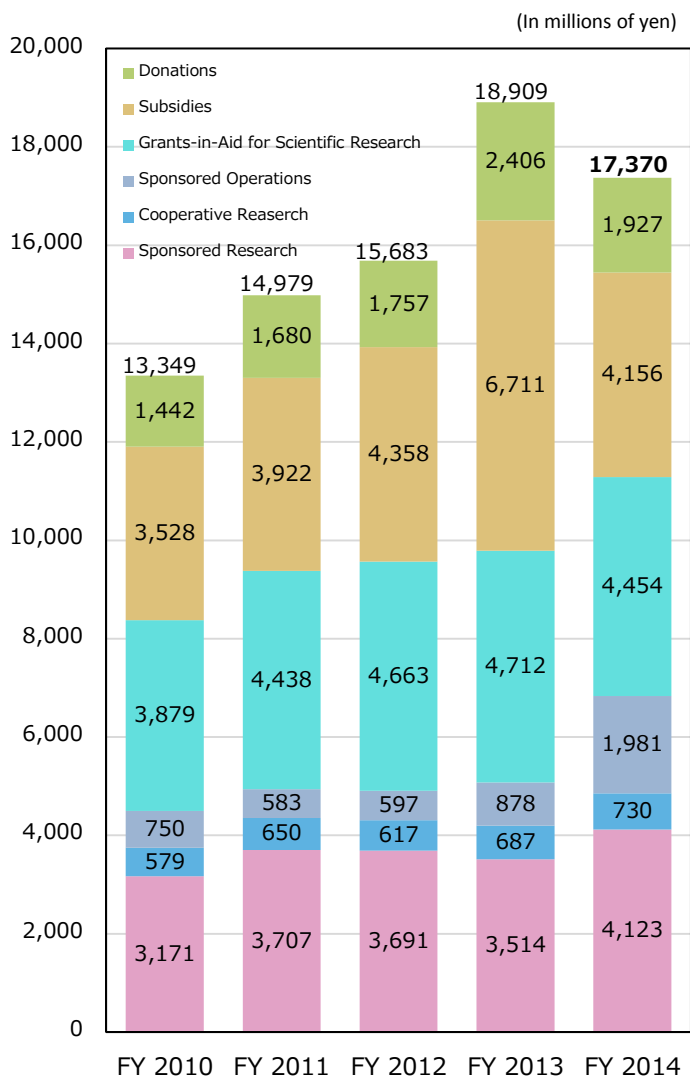
Appropriated Surplus in fiscal year 2014 (In thousands of yen)

| Items of Reserve and Name of Projects | Reserve Funds Brought Forward from Previous Mid-Term Plan Period | Appropriated Surplus | Total |
|---|--|--|----------------|
| | Remodeling of student residence halls | Projects for reserve and maintenance of education and research environment | |
| Buildings | - | 4,528 | 4,528 |
| Structures | - | 1,263 | 1,263 |
| Others | 3,548 | - | 3,548 |
| Sub-total | 3,548 | 5,791 | 9,339 |
| Education Expenses | - | 18,658 | 18,658 |
| Research Expenses | - | 77,366 | 77,366 |
| Education and Research Support Expenses | - | 21,183 | 21,183 |
| General Administrative Expenses | - | 194 | 194 |
| Sub-total | - | 117,401 | 117,401 |
| Total | 3,548 | 123,192 | 126,740 |

On External Funds

Changes in Annual External Funds Received

External funds received has become a yearly increase by a variety of efforts to increase and support our university's educational and research activities. The reason for reduction in fiscal year 2014 is reduction of subsidies associated with the auxiliary period end of large-scale program.



* Includes indirect expenses.

* Excludes gifts-in-kind in Donations.

[Donations]

They are donated funds from corporations or individuals to the university for the purpose of enhancing education or for academic research. They include endowed courses that are courses funded by donations from private institutions. They have been increasing year by year, however, in fiscal year 2014, they reduced because there were many accepted the amount of the endowed course of the previous year.

| | | |
|---|-----|-----------------|
| - Mito Clinical Education and Training Center operations | : 1 | 275 million yen |
| - Ibaraki Prefecture Research Course on Regional Medical System | : 1 | 142 million yen |
| - Hitachinaka Medical Education and Research Center operations | : 1 | 118 million yen |
| - Comprehensive Perinatal Medicine Course | : 1 | 42 million yen |

[Subsidies]

They are granted by the national government or local public authorities to specific projects of the university. They have been increasing year by year, however, in fiscal year 2014, they reduced because the end of auxiliary period of large program.

| | | |
|---|-----|-----------------|
| - Subsidy for the Support for University Education | : 4 | 779 million yen |
| - Subsidy for the Project for Regional Industry-University Cooperation science and technology promotion | : 3 | 445 million yen |
| - Subsidies of the Project for Promoting International Core for Research (WPI) | : 1 | 444 million yen |
| - Subsidy for state-of-the-art high-performance general-purpose supercomputer project | : 1 | 440 million yen |

[Grants-in-Aid for Scientific Research]

They are research aids for the development of original/leading research in all fields from humanities/social sciences to natural sciences, granted by the national government to individual researchers. They have been increasing year by year, however, in fiscal year 2014, they reduced due to the reduction of the number of large-scale research event.

| | | |
|---|---------|-------------------|
| - Grants-in-Aid for Scientific Research | : 2,003 | 4,454 million yen |
| - Health and Labor Sciences Research Grants | : 60 | 195 million yen |
| - Other Grants | : 2 | 43 million yen |

[Sponsored Research, Cooperative Research, Sponsored Operations]

Sponsored Research is a system under which our university is commissioned from an external consigner to conduct research as the university's operation and reports the results to this consigner. Cooperative Research is that the university carries out a research on common subject by cooperating with or sharing it with outside researchers. They have been increasing year by year. and in fiscal year 2013, they increased by adoption of large-scale program.

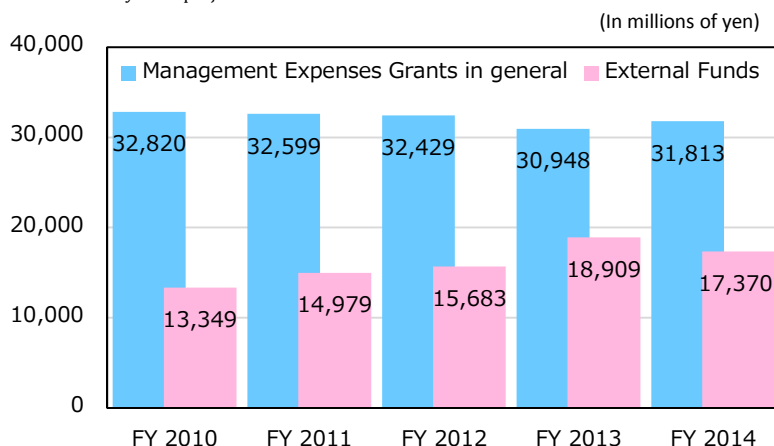
| | | |
|--|-----|-------------------|
| - Multi Support Project for Medal | : 1 | 1,071 million yen |
| - Project for promotion of Medicine and engineering cooperation [Tsukuba International Strategic Zone] | : 1 | 574 million yen |
| - Sports Academy forming support project | : 1 | 480 million yen |

* Only main projects are mentioned in tables.

Changes in Annual Management Expenses Grants and External Funds

The graph on the right compares the above mentioned amount of external funds received and the amount of Management Expenses Grants in general received. While Management Expenses Grants in general have been decreasing year by year, it can be seen that supporting the operations of the university by receiving external funds.

* Management Expenses Grants in general excludes the portion from the supplementary budget.



Donations

In fiscal year 2014, the amount received decreased compared to fiscal year 2013 due to many accept the amount of endowed chair (the Certificate Program on Nature Conservation ;500,000 thousand yen) and so on of the previous year.

With the exception of the above, it is the amount received of the previous year.

* Excludes gifts-in-kind.

* The number of donations received is the total.

* Funds include the "the University of Tsukuba Fund" as well as the "Fund for the occasion of the 120 year anniversary of the establishment of the Junior and Senior High School at Otsuka, University of Tsukuba," and so on.

Donation Liabilities in Fiscal Year 2014

(In thousands of yen)

| Classification | Initial balance | Number | Increase | Decrease | Closing balance |
|-----------------|------------------|--------------|------------------|------------------|------------------|
| Donations | 2,818,545 | 856 | 1,201,232 | 801,794 | 3,217,982 |
| Endowed courses | 868,323 | 18 | 648,480 | 837,147 | 679,656 |
| Funds | 359,164 | 5,715 | 76,853 | 200,845 | 235,172 |
| Total | 4,046,031 | 6,589 | 1,926,565 | 1,839,786 | 4,132,810 |

Subsidies

In fiscal year 2014, the amount received decreased compared to fiscal year 2013 due to many acceptance of the amount received of the previous year by fiscal year 2012 supplementary budget (Subsidies of the National University Corporation facility maintenance ; 428,411 thousand yen, Subsidies of the Project for Promoting International Core for Research (International Institute for Integrative Sleep Medicine; 500,000 thousand yen) and fiscal year 2012 Subsidies for Promoting the Enhancement of National University Reform (Setting up A Cooperative Program in Collaboration with the National Institute of Fitness and Sports in Kanoya; 883,200 thousand yen) and Advanced Research Grants Fund grants (FIRST program 813,717 thousand yen)completed in the previous year . With the exception of the above, it is the amount received of the previous year.

Subsidies Deposited in Fiscal Year 2014

(In thousands of yen)

| Classification | Initial balance | Number | Increase | Decrease | Closing balance |
|-------------------------------------|-----------------|-----------|------------------|------------------|-----------------|
| Subsidies from National Government | 85,970 | 43 | 4,078,359 | 4,160,619 | 3,710 |
| Subsidies from Local Government | - | 7 | 221,888 | 221,888 | - |
| Subsidies other than from the above | 4,837 | 1 | 36,540 | 41,356 | 22 |
| Total | 90,807 | 51 | 4,336,787 | 4,423,862 | 3,732 |

* Subsidies other than from the above mentioned are those provided by independent administrative agencies, etc.

Grants-in-Aid for Scientific Research

In fiscal year 2014, the amount received decreased compared to fiscal year 2013 due to the decrease in Special propulsion research and new academic area studies in the large-scale research disciplines of Grant-in-Aid for Scientific Research.

We can say that the shift to Multi-year Funds, which scientists can use according to the progress of research without being bound by borders of fiscal years, is making progress by increasing the number of Scientific Research project(B) of Multi-year Funds in part, Grants-in-Aid for Young Scientists project(A) and Scientific Research project(C) increased.

* Includes amounts received as expenses shared.

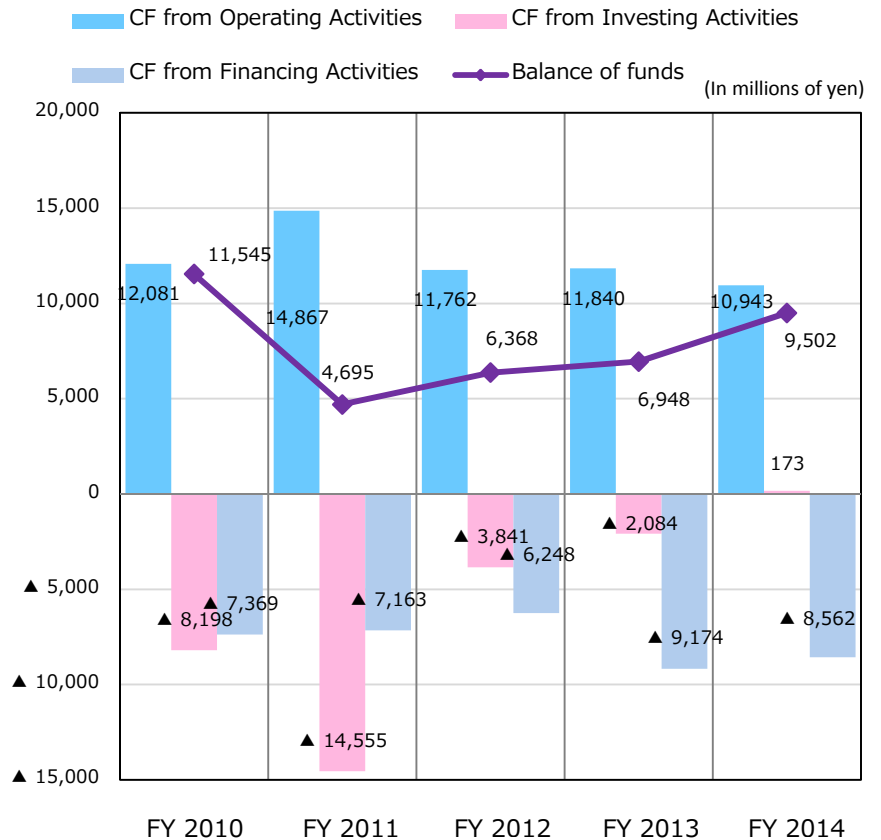
Grants-in-Aid for Scientific Research Deposited in Fiscal Year 2014

(In thousands of yen)

| Classification | Initial balance | Number | Increase | | Decrease | | Closing balance |
|--|-----------------|--------------|------------------|-------------------|------------------|-------------------|-----------------|
| | | | Direct expenses | Indirect expenses | Direct expenses | Indirect expenses | |
| Grants-in-Aid for Scientific Research (Kakenhi) | - | 629 | 1,701,655 | - | 1,701,655 | - | - |
| | | | 446,238 | - | 446,238 | - | - |
| Multi-year Fund-based Grants-in-Aid (Multi-year Fund) | 183,731 | 1,020 | 953,623 | - | 946,981 | - | 192,588 |
| | | | 285,287 | - | 283,071 | - | - |
| Kakenhi (Multi-year Fund in part) | 130,912 | 354 | 801,511 | - | 780,798 | - | 157,839 |
| | | | 239,201 | - | 232,987 | - | - |
| Health and Labor Sciences Research Grants | - | 60 | 214,945 | - | 214,945 | - | - |
| | | | 39,745 | - | 39,745 | - | - |
| Grants for Industrial Technology Research | - | 1 | 8,277 | - | 8,277 | - | - |
| | | | 2,483 | - | 2,483 | - | - |
| Leading-edge Research Promotion Fund (Multi-year Fund) | - | 1 | 25,000 | - | 25,000 | - | - |
| | | | 7,500 | - | 7,500 | - | - |
| Total | 314,643 | 2,065 | 3,705,010 | - | 3,677,656 | - | 350,427 |
| | | | 1,020,454 | - | 1,012,025 | - | - |

Changes in Annual Cash Flow

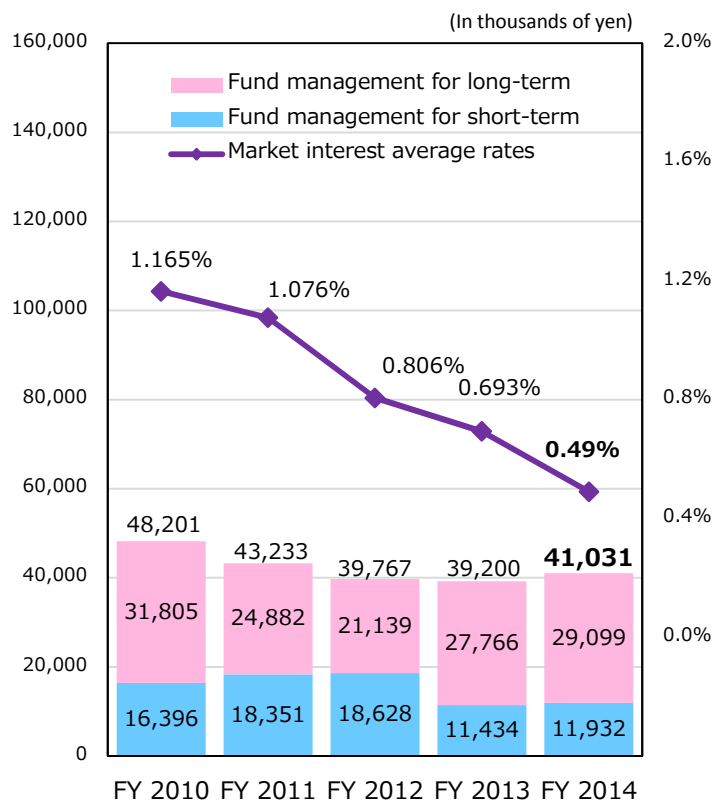
Cash Flow Statement focuses on the flow of funds (cash) during a certain accounting period and describes the flow in specific activity segments. In fiscal year 2014, "Cash Flow from Operating Activities," which shows the flow of funds for education and research activities, decreased by 90 million yen compared to fiscal year 2013 due to increase expenditures of Personnel Expenses and so on. "Cash Flow from Investing Activities," which shows purchase and sales of marketable securities, such as government bonds and certificates of deposit, and tangible fixed assets, decreased compared to fiscal year 2013 due to decrease in expenditures from Acquisition of Marketable Securities. On the other hand, "Cash Flow from Financing Activities," which shows the situation of procurement and repayment of funds was ▲8,562 million yen mainly due to repayment of Long-term Borrowings, Lease Liabilities and PFI liabilities.



Track Record of Profit from Fund Management

Since the corporatization of national universities, Management Expenses Grants have been being reduced every year and to secure various sources of revenue is the challenge for us. Our university makes fund management using funds not scheduled to be paid out in foreseeable future. We invest Donations in government bonds and government guaranteed-bonds for long-term management as well as we invest Management Expenses Grants in certificates of deposit for short-term (less than one year) management. In fiscal year 2014, interest received by both of Fund management for long-term and short-term exceeds the previous fiscal year in the situation that market interest rates were low. This is because the interest rate improved due to reviewing long-term management plan from 5 years into 20 years. Interest received by short-term increased due to start a certified operates a foreign financial institution to financial institution.

* The market interest average rates are taken from the average annual yield for newly issued ten-year government bonds.



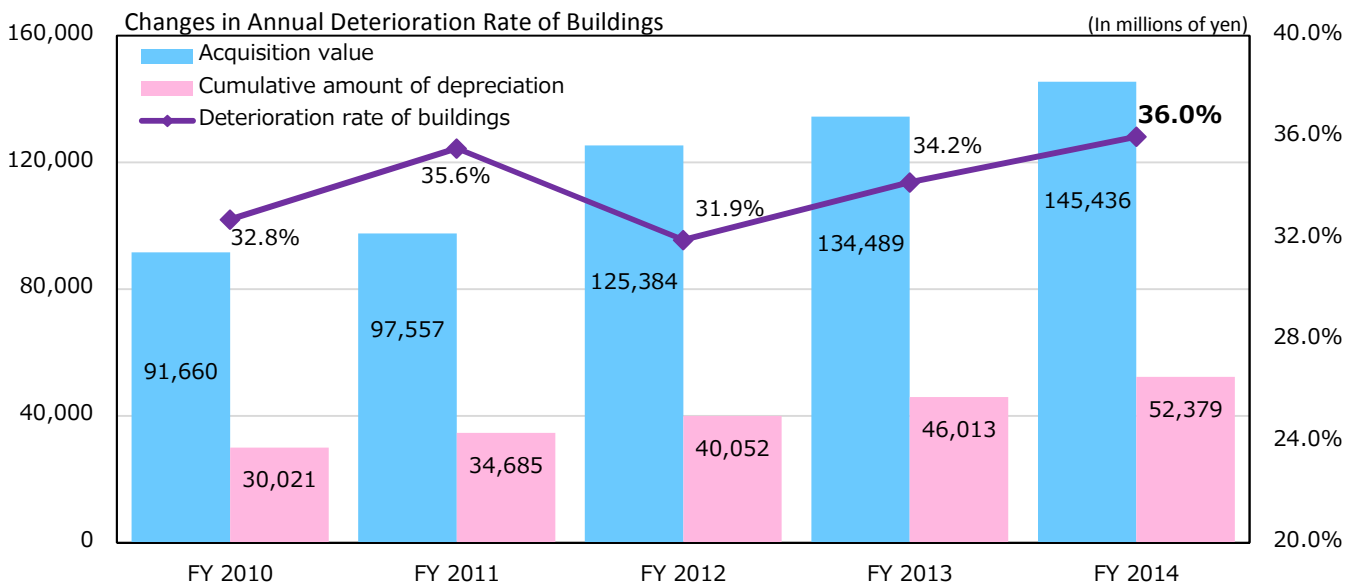
On Fixed Assets

Deterioration Rate of Buildings

By calculating the rate of cumulative amount of Depreciation Expenses for Buildings to acquisition value of them, it can be grasped as a whole that how long they have been from acquisition as compared with their service lives.

In fiscal year 2012, deterioration rate declined because a new building was built by the project for the university hospital redevelopment. However, it rose thereafter because no large-scale remodeling or renewal of buildings was applied.

Furthermore, at the corporatization of national universities in fiscal year 2004, the buildings which were acquired by fiscal year 2003 were capitalized and succeeded from the national government. However, acquisition value was recorded on estimated value as of the time of corporatization, as well as their service lives were set as new service lives on that remaining as of the time of corporatization. Because of that, years of depreciation are shorter than actual ages of service. As a result, actual deterioration rate of buildings is more progressing than one on the graph.



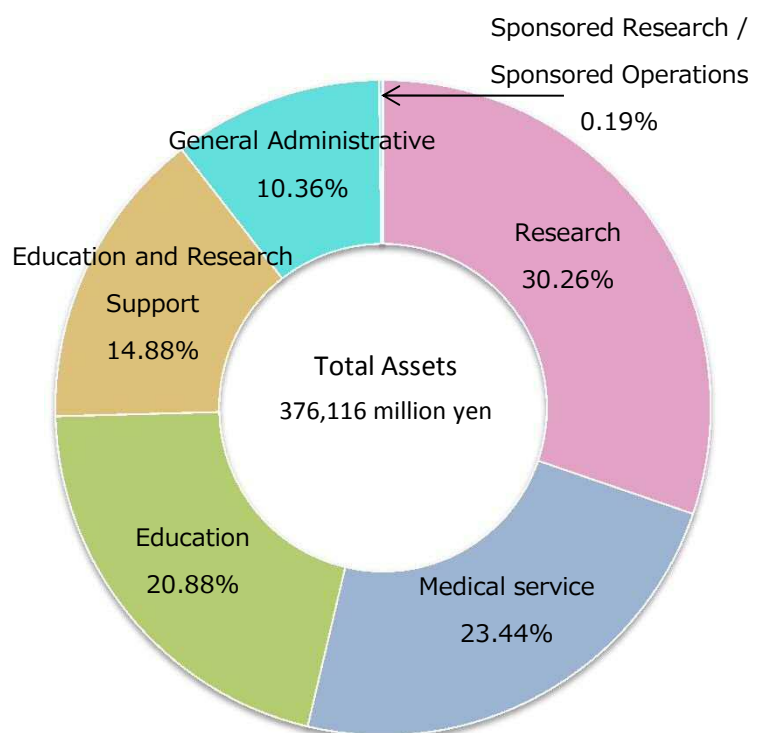
$$\text{Deterioration rate of buildings (\%)} = \text{Cumulative amount of depreciation} / \text{Acquisition value}$$

Share of Assets by Usages

The right graph shows the share of assets by usages. The value of assets is the remaining value, which subtracts Depreciation Expenses until now from acquisition value, as of the end of fiscal year 2014.

Assets which mainly increased are following: Research assets due to completion of building for the International Institute for Integrative Sleep Medicine (IIIS) and Education and Research assets due to completion of the Tandem Accelerator.

It seems that nearly equal levels of funds are invested in education, research and medical service. We can say that well-balanced investments not being one-sided by any of usages are made.



* The total in graph on the right excludes items such as Construction in Progress from "Fixed Assets" in Balance Sheet on page 21.

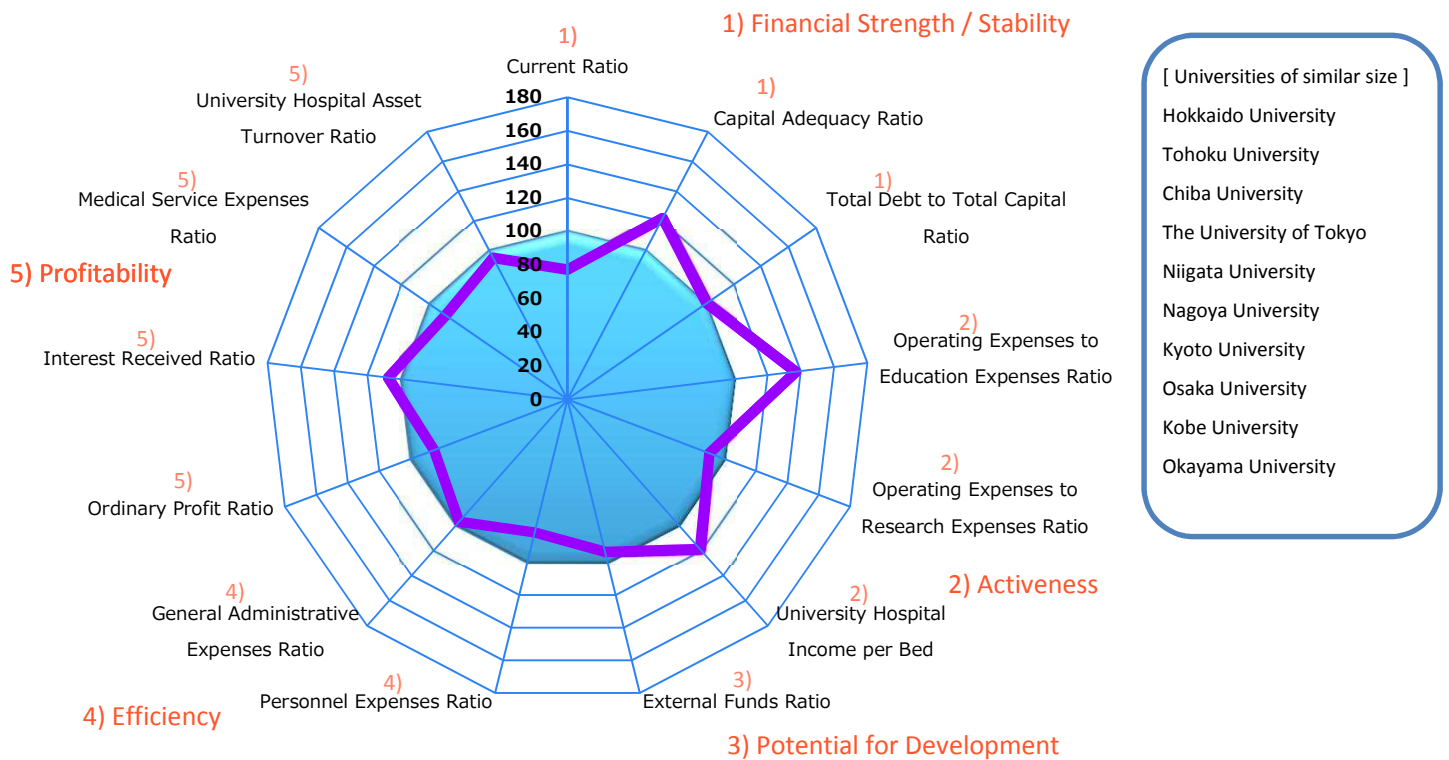
Financial Indicator Analyses

Making a financial analysis on the financial data from financial statements helps to better grasp and improve the financial situation of the university. The analysis is also utilized as the explanatory material towards the Japanese people and parties involved with the university.

Our university makes analyses using the following five indicator scheme.

The following radar chart shows the average in the rate of universities of similar size as 100 in blue, and the corresponding figure of our university in purple line.

- 1) Financial Strength / Stability
This indicator shows whether or not the financial structure allows for stable/continuous education and research activities.
- 2) Activeness
This indicator shows whether or not resources are financially secured/used for improving the level of higher education and academic research.
- 3) Potential for Development
This indicator shows whether or not the university stabilizes financial resources and secures matching resources for the activities, by making efforts to secure various resources outside Management Expenses Grants from the national government and Student Fees.
- 4) Efficiency
This indicator shows whether or not resources are efficiently managed in conducting education and research activities.
- 5) Profitability
This indicator shows the profitability of Non-Subsidy Revenue; in particular whether or not the expenses and income of general medical service activities at the university hospital are balanced.



| Explanation of Indicator | | Indicator | Analysis | | | | | | | | | | | | | | | | | | |
|--|--------------------------------------|---|----------|---------|---------|---------|---------|---------|----------------|-------|-------|-------|-------|-------|---------|-------|-------|--------|--------|--------|---|
| Financial Strength / Stability | Current Assets / Current Liabilities | <p>Current Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>93.5%</td> <td>89.5%</td> <td>82.6%</td> <td>77.3%</td> <td>81.0%</td> </tr> <tr> <td>Average</td> <td>95.6%</td> <td>96.4%</td> <td>107.4%</td> <td>103.1%</td> <td>102.8%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 93.5% | 89.5% | 82.6% | 77.3% | 81.0% | Average | 95.6% | 96.4% | 107.4% | 103.1% | 102.8% | <p>Current Liabilities decreased because Management Expenses Grants Liabilities decreased due to completion the projects that were planned.</p> <p>In addition, Current Ratio rose because Current Assets increased due to increase in large time deposits.</p> |
| | | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | |
| Our university | 93.5% | 89.5% | 82.6% | 77.3% | 81.0% | | | | | | | | | | | | | | | | |
| Average | 95.6% | 96.4% | 107.4% | 103.1% | 102.8% | | | | | | | | | | | | | | | | |
| <p>An indicator shows the short-term solvency (within one year) and the higher the figure, the larger the margin of solvency. If the current ratio is over 100%, it can be said that the Current Liabilities can be paid off with Current Assets.</p> <p>↑</p> | | | | | | | | | | | | | | | | | | | | | |

* If the arrow indicated on the lower part of the ratio column is pointing upward, the indicator is better when the figure is higher. The opposite is true if the arrow is pointing downward.

| Explanation of Indicator | | Indicator | Analysis | | | | | | | | | | | | | | | | | | |
|---|--|--|----------|---------|---------|---------|---------|----------------|----------------|-------|-------|-------|-------|---------|---------|-------|-------|-------|-------|---|--|
| Financial Strength/Stability | <p>Capital Adequacy Ratio</p> <p>Equity Capital / (Liabilities + Equity Capital)</p> <p>An indicator shows the soundness of management. It can be said that the larger the figure, the more sound it is.</p> <p>↑</p> | <p>Capital Adequacy Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>75.6%</td> <td>76.3%</td> <td>70.9%</td> <td>71.6%</td> <td>74.3%</td> </tr> <tr> <td>Average</td> <td>65.5%</td> <td>65.0%</td> <td>64.2%</td> <td>62.4%</td> <td>64.0%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 75.6% | 76.3% | 70.9% | 71.6% | 74.3% | Average | 65.5% | 65.0% | 64.2% | 62.4% | 64.0% | <p>It rose because Capital Surplus increased due to acquisition of Fixed Assets by using Facility Expenses and Redemption of Long-term Borrowings for purchase of land for our campus.</p> |
| | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | |
| Our university | 75.6% | 76.3% | 70.9% | 71.6% | 74.3% | | | | | | | | | | | | | | | | |
| Average | 65.5% | 65.0% | 64.2% | 62.4% | 64.0% | | | | | | | | | | | | | | | | |
| <p>Total Debt to Total Capital Ratio</p> <p>※ Debts / Liabilities and Net Assets</p> <p>An indicator shows debts that require the payout of funds against Total Assets. It can be said that the lower the figure, the higher the ability to payback debts.</p> <p>↓</p> | <p>Total Debt to Total Capital Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>16.6%</td> <td>15.2%</td> <td>20.4%</td> <td>18.9%</td> <td>17.3%</td> </tr> <tr> <td>Average</td> <td>19.1%</td> <td>18.3%</td> <td>18.0%</td> <td>18.4%</td> <td>17.6%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 16.6% | 15.2% | 20.4% | 18.9% | 17.3% | Average | 19.1% | 18.3% | 18.0% | 18.4% | 17.6% | <p>It declined because we redeem Long-term Borrowings for purchase of land for our campus, Borrowings for facilities enhancement in the university hospital and PFI Liabilities every year.</p> | |
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | | |
| Our university | 16.6% | 15.2% | 20.4% | 18.9% | 17.3% | | | | | | | | | | | | | | | | |
| Average | 19.1% | 18.3% | 18.0% | 18.4% | 17.6% | | | | | | | | | | | | | | | | |
| Activeness | <p>Operating Expenses to Education Expenses Ratio</p> <p>Education Expenses / Operating Expenses</p> <p>An indicator shows the Education Expenses against Operating Expenses. It can be said that the higher the figure, the larger the expenses necessary for education.</p> <p>↑</p> | <p>Operating Expenses to Education Expenses Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>8.1%</td> <td>7.6%</td> <td>7.7%</td> <td>8.4%</td> <td>7.5%</td> </tr> <tr> <td>Average</td> <td>4.4%</td> <td>4.6%</td> <td>5.1%</td> <td>5.5%</td> <td>5.4%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 8.1% | 7.6% | 7.7% | 8.4% | 7.5% | Average | 4.4% | 4.6% | 5.1% | 5.5% | 5.4% | <p>It declined because repair costs for educational facilities such as the Central Gymnasium decreased. It is higher than the average of universities of similar size, which shows that we own plenty of educational facilities.</p> |
| | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | |
| Our university | 8.1% | 7.6% | 7.7% | 8.4% | 7.5% | | | | | | | | | | | | | | | | |
| Average | 4.4% | 4.6% | 5.1% | 5.5% | 5.4% | | | | | | | | | | | | | | | | |
| <p>Operating Expenses to Research Expenses Ratio</p> <p>Research Expenses / Operating Expenses</p> <p>An indicator shows the Research Expenses against Operating Expenses. It can be said that the larger the figure, the higher the expenses used in research activities.</p> <p>↑</p> | <p>Operating Expenses to Research Expenses Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>9.8%</td> <td>10.2%</td> <td>9.8%</td> <td>10.4%</td> <td>9.5%</td> </tr> <tr> <td>Average</td> <td>11.3%</td> <td>11.6%</td> <td>12.4%</td> <td>12.8%</td> <td>12.3%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 9.8% | 10.2% | 9.8% | 10.4% | 9.5% | Average | 11.3% | 11.6% | 12.4% | 12.8% | 12.3% | <p>It declined because lease and maintenance costs of the super computer decreased.</p> | |
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | | |
| Our university | 9.8% | 10.2% | 9.8% | 10.4% | 9.5% | | | | | | | | | | | | | | | | |
| Average | 11.3% | 11.6% | 12.4% | 12.8% | 12.3% | | | | | | | | | | | | | | | | |

* The debt amount in the Total Debt to Total Capital Ratio is calculated as Total Liability minus Per Contra Liabilities for Property Acquisition, Donations Liabilities, Management Expenses Grants Liabilities and Tuitions Liabilities.

Financial Indicator Analyses

| Explanation of Indicator | | Indicator | Analysis | | | | | | | | | | | | | | | | | | |
|---------------------------------------|--|--|----------|---------|---------|---------|---------|---------|----------------|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|---|
| Activeness | <p>University Hospital Income per Bed</p> <p>University Hospital Income / Number of Hospital Beds</p> <p>An indicator shows the activity level of medical service activities based on the size of the university hospital. It can be said that the higher the figure, the better it is.</p> <p>↑</p> | <p>University Hospital Income per Bed (In thousands of yen)</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>26,850</td> <td>27,652</td> <td>28,374</td> <td>32,730</td> <td>35,129</td> </tr> <tr> <td>Average</td> <td>27,434</td> <td>28,929</td> <td>30,294</td> <td>31,309</td> <td>32,158</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 26,850 | 27,652 | 28,374 | 32,730 | 35,129 | Average | 27,434 | 28,929 | 30,294 | 31,309 | 32,158 | <p>It increased because the number of surgeries and outpatients increased, further the rate of bed operation and calculation rate of beds for serious case rose by displaying functions of highly advanced and acute under operation.</p> |
| | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | |
| Our university | 26,850 | 27,652 | 28,374 | 32,730 | 35,129 | | | | | | | | | | | | | | | | |
| Average | 27,434 | 28,929 | 30,294 | 31,309 | 32,158 | | | | | | | | | | | | | | | | |
| Potential for Development | <p>External Funds Ratio</p> <p>(Sponsored Research Income + Sponsored Operations Income + Donation Income) / Ordinary Income</p> <p>An indicator shows how much external funds have been obtained. It can be said that the higher the figure, the better it is. This is the indicator used to evaluate the profitability and situation of activities using external funds.</p> <p>↑</p> | <p>External Funds Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>6.9%</td> <td>7.4%</td> <td>7.6%</td> <td>7.9%</td> <td>9.6%</td> </tr> <tr> <td>Average</td> <td>10.6%</td> <td>10.5%</td> <td>10.0%</td> <td>10.9%</td> <td>11.5%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 6.9% | 7.4% | 7.6% | 7.9% | 9.6% | Average | 10.6% | 10.5% | 10.0% | 10.9% | 11.5% | <p>It rose because Sponsored Research and Sponsored Operations increased. It has been rising continuously since fiscal year 2010, which shows that our sources of revenue are being diversified as a whole.</p> |
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | | |
| Our university | 6.9% | 7.4% | 7.6% | 7.9% | 9.6% | | | | | | | | | | | | | | | | |
| Average | 10.6% | 10.5% | 10.0% | 10.9% | 11.5% | | | | | | | | | | | | | | | | |
| Efficiency | <p>Personnel Expenses Ratio</p> <p>Personnel Expenses / Operating Expenses</p> <p>An indicator shows the management efficiency of the university from personnel aspects. It can be said that the lower the figure, the higher the efficiency is. By investing funds efficiently, how to raise the quality of education and research is the challenge.</p> <p>↓</p> | <p>Personnel Expenses Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>55.9%</td> <td>56.2%</td> <td>53.8%</td> <td>51.1%</td> <td>52.1%</td> </tr> <tr> <td>Average</td> <td>51.1%</td> <td>51.3%</td> <td>50.1%</td> <td>47.8%</td> <td>48.3%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 55.9% | 56.2% | 53.8% | 51.1% | 52.1% | Average | 51.1% | 51.3% | 50.1% | 47.8% | 48.3% | <p>It rose because Personnel Expenses increased due to end of reduced salary according to the Special Provisions Act and salary revision by recommendation from the National Personnel Authority.</p> |
| | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | |
| Our university | 55.9% | 56.2% | 53.8% | 51.1% | 52.1% | | | | | | | | | | | | | | | | |
| Average | 51.1% | 51.3% | 50.1% | 47.8% | 48.3% | | | | | | | | | | | | | | | | |
| General Administrative Expenses Ratio | <p>General Administrative Expenses Ratio</p> <p>General Administrative Expenses / Operating Expenses</p> <p>An indicator shows the management efficiency of the university from aspects about cost. It can be said that the lower the figure, the better it is. These costs are genuinely the management / operating expenses of the university, and how to reduce them is the challenge.</p> <p>↓</p> | <p>General Administrative Expenses Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>3.5%</td> <td>3.3%</td> <td>3.2%</td> <td>3.1%</td> <td>2.9%</td> </tr> <tr> <td>Average</td> <td>2.9%</td> <td>2.9%</td> <td>2.9%</td> <td>3.0%</td> <td>2.8%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 3.5% | 3.3% | 3.2% | 3.1% | 2.9% | Average | 2.9% | 2.9% | 2.9% | 3.0% | 2.8% | <p>We continue making efforts to reduce General Administrative Expenses by improving business for our university operations. This ratio declined because the entire Operating Expenses increased even though General Administrative Expenses increased slightly, which shows that efficiency of operations has been improved.</p> |
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | | |
| Our university | 3.5% | 3.3% | 3.2% | 3.1% | 2.9% | | | | | | | | | | | | | | | | |
| Average | 2.9% | 2.9% | 2.9% | 3.0% | 2.8% | | | | | | | | | | | | | | | | |

| Explanation of Indicator | | Indicator | Analysis | | | | | | | | | | | | | | | | | | |
|--|---|---|----------|---------|---------|---------|---------|----------------|----------------|--------|-------|-------|-------|---------|---------|-------|-------|-------|-------|---|--|
| Profitability | <p>Ordinary Profit Ratio</p> <p>Ordinary Profit / Ordinary Income</p> <p>An indicator shows the profitability of operations. It can be said that the larger the figure, the higher the profitability.</p> <p>* However, national university corporations are not for-profit organizations.</p> | <p>Ordinary Profit Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>2.2%</td> <td>0.4%</td> <td>▲1.0%</td> <td>▲1.6%</td> <td>▲0.2%</td> </tr> <tr> <td>Average</td> <td>2.8%</td> <td>2.1%</td> <td>1.5%</td> <td>1.1%</td> <td>1.0%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 2.2% | 0.4% | ▲1.0% | ▲1.6% | ▲0.2% | Average | 2.8% | 2.1% | 1.5% | 1.1% | 1.0% | <p>Ordinary Loss recorded because Ordinary Expenses increased due to increase in Personnel Expenses even though Ordinary Income also increased due to increase in University Hospital Income, Sponsored Research Income and Sponsored Operations Income.</p> <p>In addition, the rate rose because Ordinary Loss decreased compared to fiscal year 2013.</p> |
| | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | |
| | Our university | 2.2% | 0.4% | ▲1.0% | ▲1.6% | ▲0.2% | | | | | | | | | | | | | | | |
| | Average | 2.8% | 2.1% | 1.5% | 1.1% | 1.0% | | | | | | | | | | | | | | | |
| <p>Interest Received Ratio</p> <p>(Interest Received + Interest on Marketable Securities) / (Cash and Deposits + Marketable Securities)</p> <p>An indicator shows the amounts of financial income gained from cash, deposits, and marketable securities. It can be said that the larger the figure, the more efficiently financial resources are managed.</p> | <p>Interest Received Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>0.3%</td> <td>0.2%</td> <td>0.2%</td> <td>0.3%</td> <td>0.3%</td> </tr> <tr> <td>Average</td> <td>0.3%</td> <td>0.3%</td> <td>0.2%</td> <td>0.2%</td> <td>0.2%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 0.3% | 0.2% | 0.2% | 0.3% | 0.3% | Average | 0.3% | 0.3% | 0.2% | 0.2% | 0.2% | <p>In the case of Fund management for long-term, Interest Received increased because interest rate improved due to reviewing operation period from 5 years into 20 years.</p> <p>In the case of Fund management for short-term, Interest Received increased because we started fund management to the foreign financial institution.</p> | |
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | | |
| Our university | 0.3% | 0.2% | 0.2% | 0.3% | 0.3% | | | | | | | | | | | | | | | | |
| Average | 0.3% | 0.3% | 0.2% | 0.2% | 0.2% | | | | | | | | | | | | | | | | |
| <p>Medical Service Expenses Ratio</p> <p>Medical Service Expenses / University Hospital Income</p> <p>An indicator shows the profitability of a university hospital. It can be said that the lower the figure, the better it is. However, personnel expenses are not included in the medical service expenses.</p> | <p>Medical Service Expenses Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>61.8%</td> <td>62.9%</td> <td>72.3%</td> <td>71.6%</td> <td>68.5%</td> </tr> <tr> <td>Average</td> <td>64.5%</td> <td>64.2%</td> <td>63.7%</td> <td>65.7%</td> <td>66.5%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 61.8% | 62.9% | 72.3% | 71.6% | 68.5% | Average | 64.5% | 64.2% | 63.7% | 65.7% | 66.5% | <p>University Hospital Income substantially increased due to running highly advanced and acute stage medical care.</p> <p>In addition, the rate declined because consignment costs and Medical Service Expenses decreased due to reduction in costs such as review of PFI.</p> | |
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | | |
| Our university | 61.8% | 62.9% | 72.3% | 71.6% | 68.5% | | | | | | | | | | | | | | | | |
| Average | 64.5% | 64.2% | 63.7% | 65.7% | 66.5% | | | | | | | | | | | | | | | | |
| <p>University Hospital Asset Turnover Ratio</p> <p>Ordinary Income of University Hospital / Imputed Assets of University Hospital</p> <p>An indicator shows how much activity is done using assets at a university hospital from the revenue aspect. It can be said that the larger the figure, the better the efficiency of the use of assets is.</p> | <p>University Hospital Asset Turnover Ratio</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2010</th> <th>FY 2011</th> <th>FY 2012</th> <th>FY 2013</th> <th>FY 2014</th> </tr> </thead> <tbody> <tr> <td>Our university</td> <td>125.2%</td> <td>127.4%</td> <td>58.0%</td> <td>66.3%</td> <td>75.9%</td> </tr> <tr> <td>Average</td> <td>75.1%</td> <td>78.6%</td> <td>80.0%</td> <td>77.0%</td> <td>80.2%</td> </tr> </tbody> </table> | | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Our university | 125.2% | 127.4% | 58.0% | 66.3% | 75.9% | Average | 75.1% | 78.6% | 80.0% | 77.0% | 80.2% | <p>Ordinary Income of University Hospital increased due to displaying functions of highly advanced and acute stage medical care under operation of Keyaki building which started operation in December 2012 and became the third year.</p> <p>In addition, the rate rose because Imputed Assets of University Hospital decreased due to Depreciation Expenses that record every year.</p> | |
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | | | | | | | | | | | | | | | | |
| Our university | 125.2% | 127.4% | 58.0% | 66.3% | 75.9% | | | | | | | | | | | | | | | | |
| Average | 75.1% | 78.6% | 80.0% | 77.0% | 80.2% | | | | | | | | | | | | | | | | |



筑波大学

University of Tsukuba



<http://www.tsukuba.ac.jp/>

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